

FINAL DRAFT

ANNUAL BUDGET OF

Bitou Municipality



2016/17 TO 2018/19

MEDIUM TERM REVENUE AND

EXPENDITURE FORECASTS

Copies of this document can be viewed:

- In the foyers of all municipal buildings
- All public libraries within the municipality
- At www.bitou.gov.za

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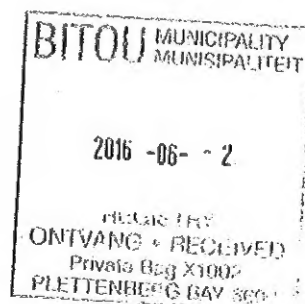
Annexure J – Final Draft IDP

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Abbreviations and Acronyms

AMR	Automated Meter Reading	LED	Local Economic Development
ASGISA	Accelerated and Shared Growth Initiative	MEC	Member of the Executive Committee
BPC	Budget Planning Committee	MFMA	Municipal Financial Management Act Programme
CBD	Central Business District	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MMC	Member of Mayoral Committee
CM	City Manager	MPRA	Municipal Properties Rates Act
CPI	Consumer Price Index	MSA	Municipal Systems Act
CRRF	Capital Replacement Reserve Fund	MTEF	Medium-term Expenditure Framework
DBSA	Development Bank of South Africa	MTREF	Medium-term Revenue and Expenditure Framework
DoRA	Division of Revenue Act	NDP	National Development Plan
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		



Part 1 – Final Draft Annual Budget

1.1 Mayor's Report

2016/2017 MUNICIPAL BUDGET SPEECH BY THE EXECUTIVE MAYOR OF BITOU LOCAL MUNICIPALITY, COUNCILLOR M BOOYSEN: SEWELL STREET, MUNICIPAL BUILDING, COUNCIL CHAMBERS - 31 MARCH 2016

The Honourable Speaker of council, Cllr AR, Olivier

Honourable Members of the Mayoral Committee

Honourable Leaders of the Opposition Parties

Honourable Members of Council

Members of Ward Committees present

Municipal Manager

Senior Management of the municipality

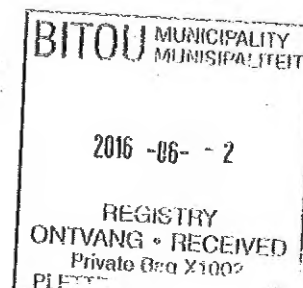
Members of the media present

Ladies and Gentlemen

Good morning, Goeie More, Molweni,

I am honoured and humbled as I rise to present the last budget for the term of this Council, the 2016/17 Final Draft Budget MTREF of Bitou Municipality. This Final Draft Budget is presented under challenging times with regard to the economic outlook of the Republic of South Africa, the Province and indeed that of Bitou Municipality. The Final Draft Budget tabled here today is constrained by the Government's (all three spheres) need to consolidate public finances, in the context of slower growth and rising debt. Reality is that things are becoming tougher for our community and the people of South Africa. Things are equally tough for South African business, informal and formal. These challenging times call upon us to intensify our efforts to address economic constraints, improve our growth by creating an environment conducive for investment and economic growth and to create employment opportunities. Honourable Speaker, the 2016/17 Final Draft Budget focuses on balancing the financial affairs of the municipality while managing risk and maintaining fiscal stability in a weak economic environment, simultaneously not diverting but giving effect to the Integrated Development Plan, our master plans and most importantly the National Development Plan. In essence this Budget seeks a balance between;

- Our growth path that is limited by the resources constraints of the current economic outlook and, on the other hand,
- Lifting these constraints by strengthening good governance, limiting growth in general expenditure and continue investing in infrastructure.



As we have committed in the last four years, our Budget has proven to be an instrument to create hope in these challenging times, the times that appear to remain with us for longer than we had anticipated. The 2016/17 Final Draft Budget creates hope, for our community and business alike as we will be continuing with creating infrastructure investment and improving living conditions whilst at the same time creating employment opportunities.

PREPARATION FOR 2016/2017 – 2018/2019 FINAL DRAFT ANNUAL BUDGET AND MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)

Honourable Speaker, in preparing the 2016/2017 to 2018/2019 Final Draft annual Budget and medium-term revenue and expenditure framework (MTREF) and having stabilized the financial situation of the Municipality over short and medium term, we had four main objectives in our minds to be achieved when we took office in 2011, namely;

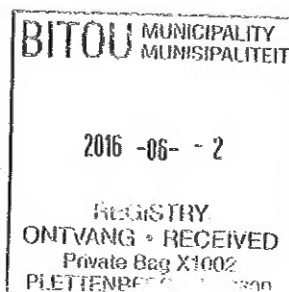
- (a) Build institutional capacity by ensuring competent and qualified personnel are recruited and appointed in appropriate positions and putting systems and process in place that support good governance.
- (b) To stabilize the financial situation in the short-term and achieve financial sustainability over the medium and long-term;
- (c) To ensure that we invest in new, and renew current infrastructure such as; water, roads and storm water systems as well as electricity and sanitation networks.
- (d) To ensure that we create an enabling environment for investment, tourism, local economic development and other activities that could lead to sustainable job creation, growing local economy by diversifying it through the catalytic projects we have identified.

Standing in front of you in our last term of this Council Honourable Speaker, I can proudly and with confidence confirm that we have met and exceeded our targets in each of the areas mentioned above. In fact Madam Speaker we have done much and far better in a short space of time. Today Bitou is a model Municipality where everyone wants to come and learn good Governance practice.

THE MAIN FUNDAMENTAL BASES FOR THE COMPILATION OF THE 2016/2017 – 2018/2019 FINAL DRAFT ANNUAL BUDGET AND MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK

1. THE MAIN NATIONAL, PROVINCIAL AND LOCAL PRIORITIES OVER THE MEDIUM-TERM ARE; 1. SUSTAINING THE ECONOMY, 2. INFRASTRUCTURE DEVELOPMENT AND 3. CREATING DECENT EMPLOYMENT OPPORTUNITIES

The National, Provincial and Local government's main priorities for the medium-term is basic services and social infrastructure development and job creation, and therefore the focus and priorities of Bitou Municipality are geared towards the achievement of these priorities in order to ensure alignment in planning.



As we were revising our integrated development plan, we took into consideration the national development plan and ensured that our master plans and Budgets are redirected towards the achievement of these priorities.

The 2016/17 MTREF Budget has considered the following:

- a) Cost reflective tariffs;
- b) Cost containment as recommended by national Treasury;
- c) The current economic climate and its impact on the Community we serve;
- d) Appropriateness of Budget assumptions;
- e) Provision for asset renewal and maintenance;
- f) Credibility and level of funding of the Budget (funded or not funded); and
- g) Alignment of the Budgets to municipality's plans.

In preparing the 2016/17 Budget and MTREF, we continue to explore opportunities to mainstream labour intensive approaches to the delivering of services, and more particularly to improve our participation in the Extended Public Works Program (EPWP).

The municipality is striving and continues to play its critical role in creating an enabling environment for investment, growth and development.

2. TAKING LOCAL GOVERNMENT BACK TO THE BASICS

The core services that local government must provide are- clean drinking water, sanitation, electricity, waste removal and roads. These are basic human rights and essential components of the right to dignity that is enshrined in our Constitution and Bill of Rights. The National Development Plan makes it clear that meeting the Countries transformation agenda requires functional municipalities and a capable machinery at a local level that can create safe, healthy and economically sustainable areas where citizens and people can work, live and socialize.

Local government is a primary point of delivery and is where most citizens interface with government. Governments vision of a developmental local government system was that it would be the building block on which the reconstruction and development of the country and society was to be built, a place in which the citizens of the country could engage in a meaningful and direct way with the institutions of the state.

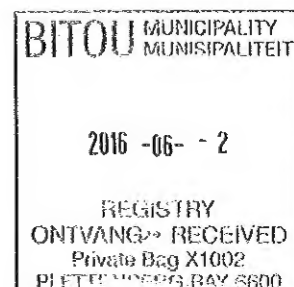
2.1 What does Back to Basics for Local Government mean?

Back to Basics means: Setting clear benchmarks of performance in an effort to ensure that we perform our basic responsibilities, every day, without fail. The aim is to ensure that we perform these basic functions without compromise.

2.2 What are the Building blocks of Back-to-Basics Approach?

2.2.1 Good Governance

Good governance is at the heart of the effective functioning of municipalities. We must constantly monitor and evaluate our ability to carry out the following basics:



- The holding of Council meetings as legislated.
- The functionality of oversight structures, section 79 committees, audit committees and District Inter-governmental relations forums
- Whether or not there has been progress following interventions we have made over the last 4 years:
 - Assess the existence and efficiency of Anti-Corruption measures.
 - The extent to which there is compliance with legislation and the enforcement of by laws
 - The assessment of the service delivery protests and approaches to address them

2.2.2 Public Participation

We continue to improve our engagements with communities, bearing in mind compliance with the provisions of the Municipal Systems Act on community participation. We have developed affordable and continuous improvement of our communication systems to communicate regularly with our communities and disseminate urgent information. Our basic measures to monitor this include:

Assessing the existence of the required number of functional Ward committees through;

- The percentage of ward committee's grants spent.
- The number of council effective public participation programmes conducted.
- The regularity of community satisfaction surveys carried out.
- Extent of compliance with MSA through MGRO assessments feedbacks.

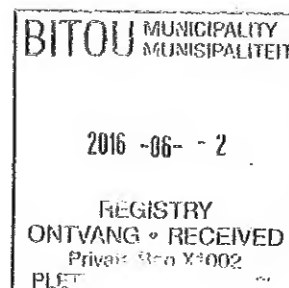
2.2.3 Financial Management

Sound financial management has been the integral part of our success. National Treasury has legislated standards and reporting requirements, and monitors these indicators, identify key areas challenges emerging from their assessments. We have partnered with Auditor General, both National Treasury and Provincial Treasury to ensure remedial process through operation clean audit. Performances against the following basic indicators are constantly assessed:

- The number disclaimers and or achievement of clean audits in the last three to five years.
- Whether the Budgets are funded and cash backed.
- The percentage revenue collected.
- The extent to which debt is serviced.
- The efficiency and functionality of supply chain management.

2.2.4 Infrastructure Services

The planning, implementation and maintenance of basic infrastructure is critical for sustaining basic standards of living and economic activity in our towns. We have developed service standards for each service, and have established systems for monitoring adherence to these standards. With the implementation of mSCOA, we are forced to report on ward-level service delivery plans. We are expected to perform the following basic activities, and the performance indicators will measure our ability to do so:



- Develop fundable consolidated infrastructure plans.
- Ensure new infrastructure development, maintenance of old ones and reduce losses in respect of water and electricity.
- Ensure the provision of Free Basic Services and the maintenance of the verified Indigent register.

2.2.5 Institutional Capacity

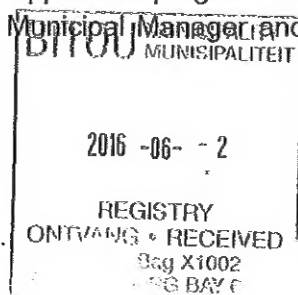
In a short space of our term we have built one of the strongest municipal administrative systems and processes in the country. This includes, ensuring that administrative positions are filled with competent and committed people whose performance is closely monitored. We must continue to ensure that targeted and measurable training and capacity building is provided for Councillors and municipal officials so that they are able to deal with the challenges of local governance as well as ensuring that scarce skills are addressed through our bursary and training programmes. The basic requirements to be monitored include:

- Ensuring that the top six posts (Municipal Manager, Finance, Infrastructure, Corporate Services, Community development and Development Planning) vacancies are filled by competent and qualified persons that meet the regulated criteria.
- That our organogram is realistic, underpinned by a service delivery model and affordable;
- That there are implementable human resources development and management programmes; and
- There are sustained platforms to engage organised labour to minimise disputes and disruption of services.

In a very short space of time we have made considerable strides. This is evident from our past achievements, to mention the few as they relate to Back to Basics program;

- Ensuring appointment of not only suitably qualified but competent employees in appropriate positions;
- Though more needs to be done, we have implemented staff developments programs through training and awarding of bursaries for further education;
- Clean Audit in second year running;
- Tabling realistic and funded Budgets;
- Our percentage of revenue collection;
- Though some improvement on efficiency and value for money procurement, we have a functional and compliant SCM process;
- Functional ward committees and public participation programs;
- Holding Council meetings as required and ensuring full compliance with legislation through our oversight and
- We have managed to reduce water and electricity losses and continue to do develop, renew and maintain of our infrastructure.

These achievements and results are there for even those who refuse to see, they are available for even those who do not want to appreciate progress made. The selection by National and Provincial Government of both our Municipal Manager and CFO to rescue another struggling



Municipality is a further testimony of the trust, confidence and belief that everyone is having on Bitou Municipality Council. The recent visit by the following Municipality further attest to our good Governance;

- Buffalo City Metropolitan Municipality to learn best practice on our revenue enhancement strategies

In ensuring achievement of Back to Basics we continue to deliver services by filling potholes, refurbishing and resurfacing our roads, providing quality water, collecting refuse and supplying electricity.

Honourable Speaker, I can attest that Bitou Municipality is ranked amongst the best run local Municipality in the Country. It has been an honor for me to steer the ship in the right direction and today we can be a proud Council for what we have collectively achieved.

2.3 The 2016 Local Government Elections and the Budget process

2.3.1 Impact of Local Government Elections on demarcation changes

The date of the 2016 local government elections has been declared for 03 August 2016. The re-demarcation in our case will take place before the start of the 2016/17 municipal financial year, which begins on 01 July 2016.

There has been some re-configuration of the wards in the Bitou area which was discussed and presented by IEC to all political parties.

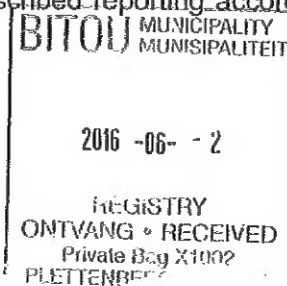
The Final Draft MTREF is based on the new Municipal boundaries because these new demarcations are effective from 01 of July 2016 in case of our Municipality.

2.4 Municipal Standard Chart of Accounts (mSCOA)

The mSCOA Regulations apply to all municipalities and municipal entities with effect from 1 July 2017 and only three months remain for preparation and implementation readiness as this 2016/17 MTREF Final Draft Budgets will have to be aligned to mSCOA. We are in a process to ensure that we Budget on mSCOA by September 2016 to go live on 01 July 2017. Council is aware of the progress to date on implementation of mSCOA. We have confidence in our administration to ensure that Bitou Municipality becomes one of the Municipalities to be in compliant by 01 July 2017.

The next report on the implementation of mSCOA will be submitted to Council in a meeting to be held in June 2016. It will be very interesting to note the progress considering that our administration will be visited by Provincial Treasury on the 01 of June 2016, to evaluate and assess our readiness. We looking forward to that external and independent report from Provincial Treasury when Council meet in June.

We are reminded that the current reporting requirements will remain in place until the National Treasury considers the implementation of the mSCOA and the new reporting reforms are no longer a risk. If we do not adhere to the prescribed reporting according to the MBRR and the



submission of the Budget reform returns to the National Treasury Local Government database we will be regarded as non-compliant. The MBRR Schedules will remain as is until further notice.

3. HEADLINE INFLATION FORECASTS AND OUTLOOK FOR DOMESTIC ECONOMIC GROWTH

Constraint by economic growth we had to adopt a conservative approach when projecting our revenue and cash flow for the medium-term due to the unfavorable and unstable national economic situation while taking into consideration the pressure on infrastructure. Unemployment remains high, resulting in municipal revenue and cash flows to become under pressure over the medium-term.

3.1 Headline inflation forecast over the medium-term

Bitou Municipality have taken the following macro-economic forecasts into consideration when preparing the 2016/17 Final Draft Budget and MTREF –

Fiscal Year	2014/2015 Actuals	2015/2016 Estimates	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
Real GDP Growth	1.6	0.9	1.2	1.9	2.5
CPI Inflation	5.6	5.4	6.6	6.2	5.9

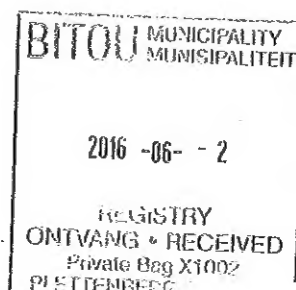
Source: National Treasury

Note that the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

3.2 Economic outlook

The following economic indicators are important to note and have been taken into account in our financial strategies and in preparation of the Final Draft MTREF for 2016/17 and the two outer years.

- The 2016 National Budget Review notes that since the tabling of the Medium Term National Budget Policy Statement (MTBPS) in October 2015 the global economic crisis has deepened, exposing the depth of South Africa's external vulnerabilities and the internal constraints that limit its potential for growth. Global conditions have exposed South Africa's own economic weaknesses, with projected GDP growth revised down to 0.9 per cent for 2016 improving gradually to 1.7 per cent in 2017 and 2.4 per cent in 2018.
- The weaker outlook is as a result of lower commodity prices, higher borrowing costs, drought and diminished business and consumer confidence. Constrained electricity supply continues to limit growth and deter fixed investment. Exchange rate depreciation is contributing to a higher inflation outlook during 2016.
- These factors are not expected to ease over the medium term. An upturn in global trade and investment, improved policy certainty, recovering consumer and business confidence, and greater availability and reliability of electricity in the outer years should support stronger growth.



- The Western Cape is forecast to expand by 1.0 per cent in 2016, improving gradually to 1.8 per cent in 2017. On average, the provincial economy is forecast to grow by 2.2 per cent year-on-year from 2015 to 2020.
- Census 2011 has shown that the population of the Western Cape has grown with 29% from 2001; Bitou recorded the 4th highest growth in population in the country placing a huge strain on infrastructure and housing needs.

Higher inflation, credit rating and weaker employment growth will impact on our ability to generate and collect revenue on services, to keep expenditures within Budgeted allocations, and to borrow to fund capital expenditure programmes at affordable rates. Therefore it is critical for us to review how we conduct our business to ensure value for money is obtained in all our expenditures, that revenue administration systems are operating effectively, that borrowing programmes are realistic, and that creditors (including bulk service providers) continue to be paid timeously and in full. Domestic risks to the economic outlook include structural challenges such as the high unemployment and the large current account deficit, domestic economic policy uncertainty and intensifying pressure on government fiscal revenue, as well as the recent and further possible downgrade by the international credit ratings. Should the drought conditions persist and turn out worse than currently projected; this could affect the Western Cape disproportionately, due to the closely linked agri-processing and broader manufacturing sector within the Province

3.3 What are the Implications for Bitou Municipality?

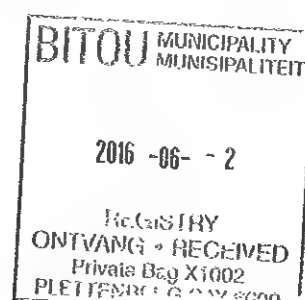
Electricity supply shortages though having stabilized, increases more than inflation on employee related cost will depress economic growth below what is currently expected.

Conversely, Bitou Municipality is expected to benefit from the depreciation of the Rand. The current value of the currency provides opportunities to increase the competitiveness of domestic export markets and strengthen the tourism sector by attracting additional tourists in the Bitou Municipal area.

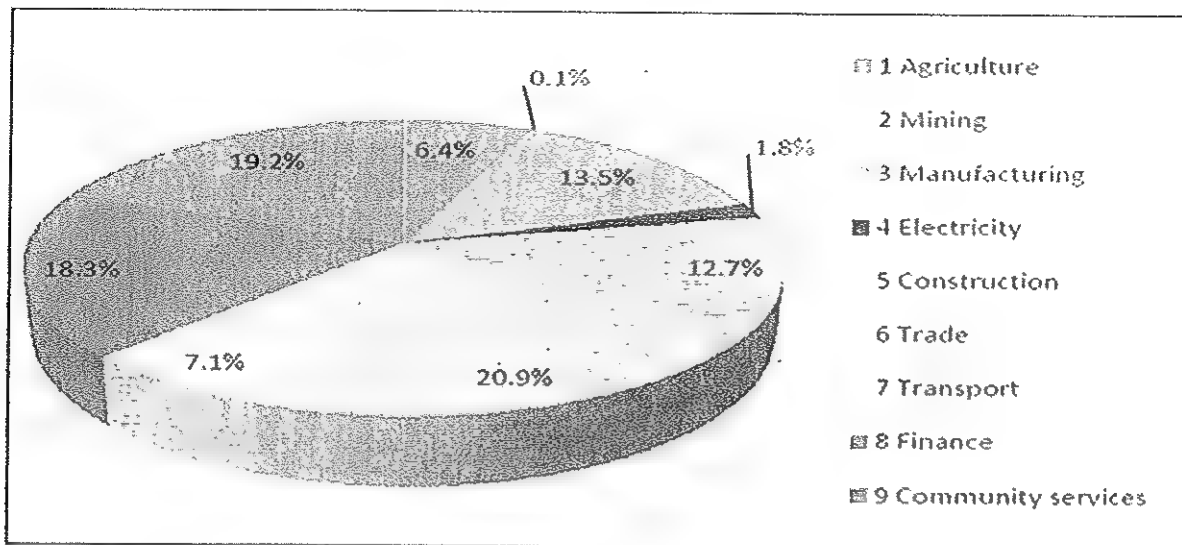
3.4 Bitou Municipal economic/financial outlooks

The financial position has improved and the following needs to be highlighted:

- The cash position has increased from a positive R49, 2 Million as at 30 June 2014 to R 98, 6 Million as at 30 June 2015, further increases to over R 157, 9 Million as at 30 April 2016, it thus remains positive.
- Trade and other payables have increased from R 55, 5 Million as at 30 June 2015 to R 57, 5 Million at the end of April 2016.
- The Debtors collection rate is averaging at 97% for the year to date.
- The cash flow remains under pressure and it is anticipated that the status quo will remain until the economy has recovered adequately.



Trade remains the dominant *Economic Sector* with 20.9% of the output, followed by Community Services (19.2%) and Finance (18.3%).



4. FOCUS OF THE 2016/2017 FINAL DRAFT BUDGET

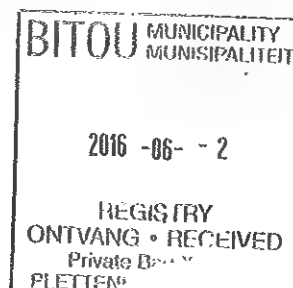
4.1 Municipal growth and the National Development Plan

Both national and provincial governments view infrastructure as an important means of promoting sustainable growth and reducing poverty, and their allocations reflect this purpose. Economic infrastructure which is a focus for Bitou municipality must include the following;

- Electricity transmission
- Waste water Pump stations and piped network
- Roads refurbishments, resurfacing, building new and maintenance of current
- Water supply

We have realised that; in the long run, poor infrastructure in Bitou municipality will not support the thriving economy hence provision of economic infrastructure is the only necessary condition for economic growth in our area.

The NDP has been implemented to create a framework to accelerate economic growth, eliminate poverty and reduce inequality. The Budget policy framework for the next three years reflects greater alignment with the plan, as spending programmes begin to address economic constraints and the need for greater local government efficiency. We have therefore revised our spending plans and reprioritised funds to ensure key objectives are achieved and revenue generating and well-performing programmes are supported. Expenditure plans reflect both the medium-term investment plans and long-term goals identified in the NDP. In this MTREF we have ensured that we eradicate non-priority spending and reprioritise expenditure to focus on core infrastructure



and service delivery issues. I can therefore safely say that we have been doing and continue to fulfil our responsibilities in line with back to the basics approach.

4.2 Capital Budget

The capital Budget flows from the final reviewed IDP process and contains information obtained from the relevant stakeholders which has been subjected through extensive public participation processes during April 2016.

The total funded infrastructure capital projects for the 2016/2017 financial year and outer two years is reflected below;

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Total Capital Expenditure	4									
Infrastructure - Road transport		15 963	6 248	2 877	13 635	27 957	27 957	39 631	34 192	38 843
Infrastructure - Electricity		2 955	2 239	15 036	20 202	21 546	21 546	14 048	14 918	11 386
Infrastructure - Water		1 759	6 724	6 542	11 615	11 757	11 757	13 389	19 849	20 035
Infrastructure - Sanitation		5 959	18 821	7 439	8 261	9 638	9 638	16 862	21 872	21 875
Infrastructure - Other		6 700	19 467	16 248	9 691	9 691	9 691	3 750	1 750	737
TOTAL CAPITAL EXPENDITURE - Asset class	2	34 399	69 865	55 497	89 870	102 237	102 237	116 864	104 189	99 529

The increase in infrastructure investment is a reflection of the strategic focus of Council in the short, medium to long term. The capital Budget is funded by means of different sources of funds with grant funding being the main source of funding capital expenditure as reflected below.

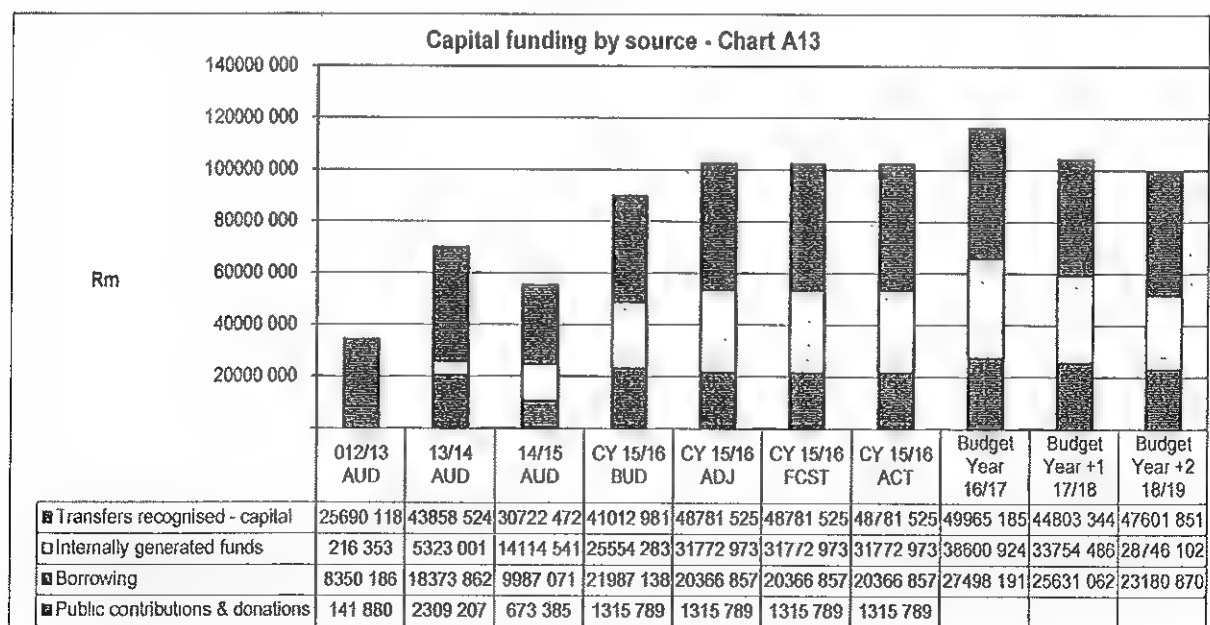
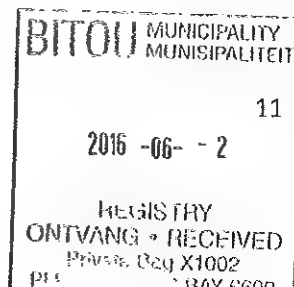


Figure 1: Capital funding by source for the 2016/17 financial year



4.3 Operating Budget

The operating Budget for the 2016/2017 financial year amounts to R 579, 3 Million which represents an increase of R 20, 1 Million or 3.6% over the May adjusted Budget for 2015/2016.

The cost drivers of the increase in the Budget can be summarized as follows:

- A 7% increase in the employee related cost as per concluded agreement with the organized labour.
- 7.64% increase in the purchase of electricity from Eskom.
- 9% increase in the waste management due to anticipated regional landfill site and closure of the current one.
- Department of Waters affairs standards for operating water purification and waste water treatment plants.
- Inflationary pressure and the general increase in the price of goods and services.
- Expected fuel prices increases and other increases in the cost of production.
- Operational requirements to ensure service delivery standards are complied with, this is specifically in regard to electricity, refuse, roads and water and waste water.

Revenue sources remains under strain and in an attempt to balance service delivery with affordability, proposed tariff increases as taken to the public have been limited as follows:

- Electricity – 7.64 (in terms of proposal by NERSA and still pending final decision)
- Water - 6%
- Sewerage - 6%
- Assessment rates - 6%
- Refuse removal - 9%

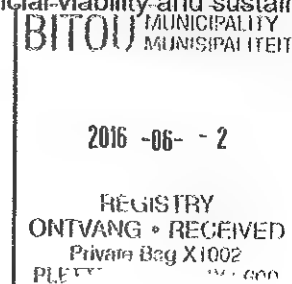
Indigent subsidies

Provision is made in the operating Budget for the subsidizing of indigent households in the amount of R 594.90 per month; this includes a free 6Kl of water, 50 units of electricity, a 100% subsidy for refuse removal and sewerage charges as well as exemption from paying water and electricity basic charges. The subsidy allowed, exceeds the National norm and stretches the affordability threshold of the municipality. The total amount in respect of free services, inclusive of free services given in Eskom distribution areas, and assessment rates rebates exceed R 51, 0 Million in the 2016/2017 financial year. However, we want to stress that this indigent grant will be withdrawn from any person who:

- Allow illegal electricity connections to the premises receiving an indigent grant;
- Sublets the premises receiving indigent grant which means that the applicant is not personally occupying the premises and benefitting from the subsidy;

Subsidies to sub-economical category of households

The long term financial plan has shown us that the past and current rate of subsidization of services to non-indigent households are unsustainable in the medium and long term and that we subsequently need to take unpopular decisions to ensure the financial viability and sustainability



of the municipality in the medium and long term. We therefore have no choice but to reduce the subsidies in respect of the sub-economical category of consumers in respect of water, sanitation and refuse removal in the 2016/2017 financial year. The category of consumers will still receive a 50% rebate on water basic fee, 30% rebate on sewer fees and a 25% rebate on refuse removal charges.

In conclusion

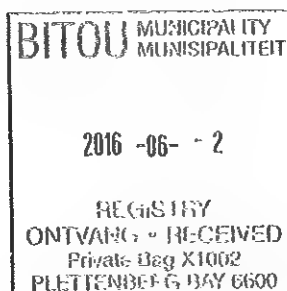
This Final Draft Budget tabled here today is a further leap in ensuring that we fully attain our strategic goals as envisaged in the IDP, NDP as well as strategic plan of Bitou municipality which includes amongst others, institutional development and transformation, service delivery to all our communities, financial viability and sustainability, excellence in administration, transparency and public participation.

Honourable Speaker it has been a challenging at the same time enjoyable and rewarding journey for me to lead this Council and its greater community in the last five years. Together we have surpassed our targets and become a beacon of hope for our community. This for us happens at the time where public servants are seen and in some instances serve their interest rather than the interest of the communities that elected them. I am convinced that this Final Draft Budget as an instrument, will go a long way to create hope in these challenging times and will contribute to our goal "To be the best together".

I want to take this opportunity to thank all Councillors that serve with me in this term. We can be proud that we served with diligent and honour. I want to thank the Municipal manager and his administrative staff. Your professionalism has been noted as one of the key factors for our success. A big thank you to the CFO and his team, most people are still wondering how we managed to turn around the cash position from R16, 7 million in July 2011 to the current (end of April) R157, 9 million. The members of the media, my family for allowing me to serve the community at the expense of spending less time with them. Most importantly the community of Bitou for entrusting in me, to run and lead a big institution like ours.

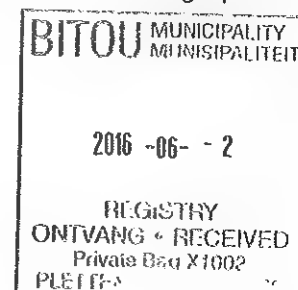
To this end Honourable Speaker and the esteemed members, **I COUNCILLOR MEMORY BOOYSEN, THE EXECUTIVE MAYOR OF BITOU MUNICIPALITY** hereby table the Final reviewed IDP, Final Draft annual Budget and medium-term revenue and expenditure framework of Bitou Municipality for consideration, adoption and approval.

I thank you
COUNCILLOR MEMORY BOOYSEN
EXECUTIVE MAYOR



1.2 Council Resolutions

1. The Council of Bitou Local Municipality, acting in terms of section 25 of the Municipal Systems Act, Act 32 of 2000 approves and adopts for consultation:
 - 1.1.1. The revised Integrated Development Plan as set out in Annexure J.
2. The Council of Bitou Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts for consultation:
 - 2.1. The Final Draft annual Budget of the municipality for the financial year 2016/17 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 2.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 12 on page 21 (MBRR Table A2);
 - 2.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 13 on page 22 (MBRR Table A3);
 - 2.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 14 on page 25 (MBRR Table A4); and
 - 2.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 15 on page 25 (MBRR Table A5).
 - 2.1.5. The financial position, cash flow Budget, cash-backed reserve/accumulated surplus, asset management and the Final Draft basic service delivery targets are approved as set out in the following tables:
 - 2.1.6. Budgeted Financial Position as contained in Table 16 on page 26 (MBRR Table A6);
 - 2.1.7. Budgeted Cash Flows as contained in Table 17 on page 30 (MBRR Table A7);
 - 2.1.8. Cash backed reserves and accumulated surplus reconciliation as contained in Table 18 on page 32 (MBRR Table A8);
 - 2.1.9. Asset management as contained in Table 19 on page 34 (MBRR Table A9); and
 - 2.1.10. Basic service delivery measurement as contained in Table 20 on page 35 (MBRR Table A10).
3. The Council of Bitou Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts for consultation during April 2016; the tariffs for property rates, the tariffs for electricity, the tariffs for the supply of water, the tariffs for sanitation services, the tariffs for solid waste services as set out in Annexure A:
4. The Council of Bitou Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts for consultation during April 2016 the tariffs and fees for other services, as also set out in Annexure A.
5. The Council of Bitou Local Municipality, acting in terms of Budget regulation and circular 75 approves and adopts for consultation during April 2016 the Final Draft service level standards as set out in Annexure G.
6. The Council of Bitou Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts for consultation during April 2016 the Final Draft Budget related policies as set out in Annexure D.



7. To give proper effect to the municipality's Final Draft annual Budget, the Council of Bitou Local Municipality approves:
- 7.1. That cash backing be implemented through the utilisation of a portion of the realisable accumulated surplus as at the end of the financial year to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
 - 7.2. That the municipality be permitted to enter into long-term loans for the funding of the capital programmes in respect of the 2016/17 financial year subject to public participation and submissions and limited to an amount of R 25, 0 Million for the financial year 2016/17 in terms of Section 46 of the Municipal Finance Management Act.
 - 7.3. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme subject to public consultation, comments and submissions by relevant organisations.

1.3 Executive Summary

The application of sound financial management principles for the compilation of Bitou Municipality's financial plan has been the critical and success factor to ensure that Bitou Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

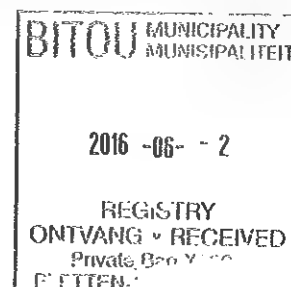
Bitou Municipality's business and service delivery priorities are continuously being reviewed as part of this year's planning and Budgeting process. Where appropriate, funds have been transferred to address crucial service delivery needs and to ensure compliance with legislative requirements and to meet service delivery obligations in terms of the reviewed IDP.

Bitou Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers and to ensure that all revenue due is billed and collected. Furthermore, Bitou Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring true community participation.

National Treasury's MFMA Circular No. 79 was used to guide the compilation of the 2016/17 MTREF.

The main challenges experienced during the compilation of the Final Draft 2016/17 MTREF can be summarized as follows:

- The slow recovery from the economic downturn that is still hampering growth and development not only locally but provincially and nationally.
- Insufficient available own funding to fund much needed infrastructure.
- Above average population growth placing a strain on infrastructure and housing needs.
- Ageing infrastructure in water, roads and electricity infrastructure that was not meant for the old spatial planning of the town.



- The increased cost of bulk electricity as a result of continued annual increases above inflation which is placing upward pressure on service tariffs to residents.
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies while trying to eliminate excess and oversupply of human resources.
- The recent credit rating downgrading in relation to borrowing which will and has already affected some Municipalities, especially Metro.

The following Budget principles and guidelines directly informed the compilation of the Final Draft 2016/17 MTREF:

- The 2015/16 May Adjustments Budget priorities and targets, as well as the base line allocations contained in original Budget were adopted as the upper limits for the new baselines for the 2016/17 Final Draft annual Budget; where appropriate a zero base approached has been used.
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity and waste removal. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- Cost containment measures to ensure limitations on general expenditure growth and non-priority expenditures being eliminated.

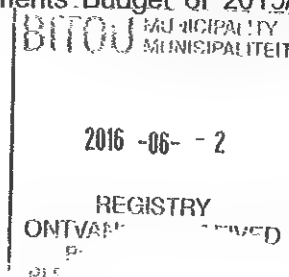
In view of the aforementioned, the following table is a consolidated overview of the proposed Final Draft 2016/17 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the Final Draft 2016/17 MTREF

Description	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands					
Total Revenue (excluding capital transfers and contributions)	483 056	496 943	513 486	538 597	579 977
Total Expenditure	484 500	503 643	522 388	538 942	561 136
Surplus/(Deficit)	(1 443)	(6 700)	(8 902)	(345)	18 841
Transfers recognised - capital	45 540	55 611	56 960	51 076	54 876
Surplus/(Deficit) after capital transfers & contributions	44 097	48 911	48 058	50 730	73 718
Surplus/(Deficit) for the year	44 097	48 911	48 058	50 730	73 718

Total operating revenue has grown by 3.3% or R 16, 5 million for the 2016/17 financial year when compared to the 2015/16 May Adjustments Budget. For the two outer years, operational revenue will increase by 4.9% and 7.7% respectively, equating to a total revenue growth of R 83, 0 million over the MTREF when compared to the May adjustments Budget of 2015/16 financial year.

Total operating expenditure for the 2016/17 financial year has been appropriated at R 503, 6 million and translates into a Budgeted surplus of R 48, 9 million after taking into consideration capital transfers. When compared to the May adjustments Budget of 2015/16, operational



expenditure has grown by 3.7% in the 2016/17 Budget and increase by 3.2% for 2017/2018 and increases by 4.1% for 2018/2019 being the outer years of the MTREF. The operating surplus decreases by R 0, 8 million for 2016/2017 and increase by R 2, 6 Million for 2017/2018 after capital funding is accounted for. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital Budget of R 116, 0 million for 2016/17 is 13.5% more when compared to the 2015/16 May adjustments Budget. This is mainly due to increase in own funding as well as external loans. The capital program decreases to R 104, 1 million in the 2017/18 financial year and further decrease to R 99, 5 million in the 2018/19 financial year. This should not be a concern as it is merely prudent financial management. Bitou Municipality do further determination of contributions to CRR to fund capital program at the end of each financial year. For the first time the major portion of the capital Budget is funded from own funding and external loans. For years the Municipal capital program was funded from Government grants and subsidies. This is a testimony on the improvement of the municipality's cash position. A portion of the capital Budget will be funded from borrowing over MTREF with anticipated borrowings not exceeding R 25, 0 Million per year over the MTREF. It needs to be noted that Bitou Municipality still has room for its prudential borrowing limits and so care should be taken when determining the next borrowing affordability over the medium-term. It is however very important to ensure that the municipality sufficiently improves financially prior to the taking up of additional capital loan funding excessively more than the total current annual redemption. The repayment of capital and interest (debt services costs) will substantially increase over the MTREF and will therefore have an effect on the improved financial position of the municipality.

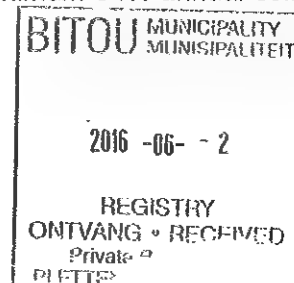
1.4 Operating Revenue Framework

For Bitou Municipality to continue improving the quality of life of its citizenry through the delivery of high quality services, it is necessary to generate sufficient revenue from rates and service charges; considering the review on infrastructure grant by National Treasury and changes to allocation to Municipalities. It is also important to ensure that all billable revenue is firstly correctly charged and secondly, adequately collected. This would mean devising means to collect revenue to areas that are traditionally Eskom distribution areas and where the Municipality may not be collecting. The prevailing economic circumstances are adding to the difficulties in collecting the revenue due to the municipality. The rationalization (through work study) of the organogram/structure will be finalized in the middle of the 2016/17 financial year. This is a very critical area that needs to be finalized as the employee related cost are the major driver of costs and continue to push our operating. Over the MTREF this cost is between 37% and 40% which is alarming. Budgeted vacant positions will have to be filled in a staggering manner and where positions have been funded, overtime will have to be reduced in the MTREF to ensure the financial sustainability of the municipality.

The expenditure required to address the needs of the community will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditure against realistically anticipated revenue.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Revenue enhancement and maximizing the revenue base;
- Efficient revenue management, which aims to ensure a minimum 94% annual collection rate for property rates and other key service charges;



- Electricity tariff increases as to be approved by the National Electricity Regulator of South Africa (NERSA);
- Moving towards cost reflective tariff increases for water, sanitation and refuse collection;
- Budgeting for a moderate surplus to ensure availability of cash reserves to back statutory funds and current provisions.
- Fully subsidizing all indigent households in terms of the relief offered by the municipality

The following table is a summary of the 2016/17 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	84 155	96 886	102 203	108 554	108 971	108 971	108 971	115 510	122 440	129 787
Property rates - penalties & collection charges		-	-	-	302	905	905	905	1 275	1 352	1 433
Service charges - electricity revenue	2	94 001	99 100	104 870	119 903	119 903	119 903	119 903	129 334	139 487	150 452
Service charges - water revenue	2	35 411	35 555	41 194	42 959	42 981	42 981	42 981	45 752	48 597	51 724
Service charges - sanitation revenue	2	32 222	32 685	33 155	35 366	36 135	36 135	36 135	38 805	41 395	44 427
Service charges - refuse revenue	2	18 165	19 162	21 962	23 172	22 911	22 911	22 911	25 612	28 449	31 706
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 207	1 347	1 508	1 396	1 522	1 522	1 522	1 440	1 515	1 605
Interest earned - external investments		2 844	3 365	6 147	4 097	5 402	5 402	5 402	5 828	6 178	6 549
Interest earned - outstanding debtors		3 538	3 641	3 912	3 132	2 549	2 549	2 549	3 163	3 374	3 699
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		4 864	28 612	21 858	32 426	32 441	32 441	32 441	22 016	23 116	24 239
Licences and permits		65	54	49	48	65	65	65	6 052	6 058	6 064
Agency services		1 140	1 147	1 310	1 150	1 285	1 285	1 285	1 219	1 293	1 370
Transfers recognised - operational		82 274	84 124	106 681	101 375	107 418	107 418	107 418	104 230	101 353	112 243
Other revenue	2	13 866	19 316	10 604	9 187	14 246	14 246	14 246	13 026	13 755	14 518
Gains on disposal of PPE		-	-	-	-	210	210	210	223	236	250
Total Revenue (excluding capital transfers and contributions)		373 752	425 195	455 453	483 056	496 943	496 943	496 943	513 488	538 597	579 917

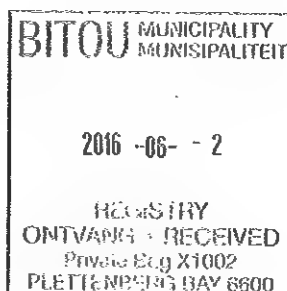
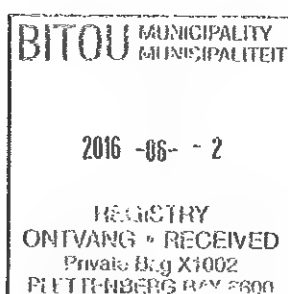


Table 3 Percentage of revenue by main revenue source

Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework							
		Adjusted Budget	%	Budget Year 2016/17	%	Budget Year +1 2017/18	%	Budget Year +2 2018/19	%
Revenue By Source									
Property rates	2	108 971	21.93%	115 510	22.50%	122 440	22.73%	129 787	22.36%
Property rates - penalties & collection charges		905	0.18%	1 275	0.25%	1 352	0.25%	1 433	0.25%
Service charges - electricity revenue	2	119 903	24.13%	129 334	25.19%	139 487	25.90%	150 462	25.94%
Service charges - water revenue	2	42 981	8.65%	45 752	8.91%	48 597	9.02%	51 724	8.92%
Service charges - sanitation revenue	2	36 135	7.27%	38 805	7.56%	41 395	7.69%	44 427	7.66%
Service charges - refuse revenue	2	22 911	4.61%	25 612	4.99%	28 449	5.28%	31 708	5.47%
Service charges - other		-	0.00%	-	0.00%	-	0.00%	-	0.00%
Rental of facilities and equipment		1 522	0.31%	1 440	0.28%	1 515	0.28%	1 605	0.28%
Interest earned - external investments		5 402	1.09%	5 828	1.14%	6 178	1.15%	6 549	1.13%
Interest earned - outstanding debtors		2 549	0.51%	3 163	0.62%	3 374	0.63%	3 599	0.62%
Dividends received		-	0.00%	-	0.00%	-	0.00%	-	0.00%
Fines		32 441	6.53%	22 016	4.29%	23 116	4.29%	24 239	4.18%
Licences and permits		65	0.01%	6 052	1.18%	6 058	1.12%	6 064	1.05%
Agency services		1 285	0.26%	1 219	0.24%	1 293	0.24%	1 370	0.24%
Transfers recognised - operational		107 418	21.62%	104 230	20.30%	101 353	18.82%	112 243	19.35%
Other revenue	2	14 246	2.87%	13 026	2.54%	13 755	2.55%	14 518	2.50%
Gains on disposal of PPE		210	0.04%	223	0.04%	236	0.04%	250	0.04%
Total Revenue (excluding capital transfers and contributions)		496 943	100.00%	513 486	100.00%	538 597	100.00%	579 977	100.00%

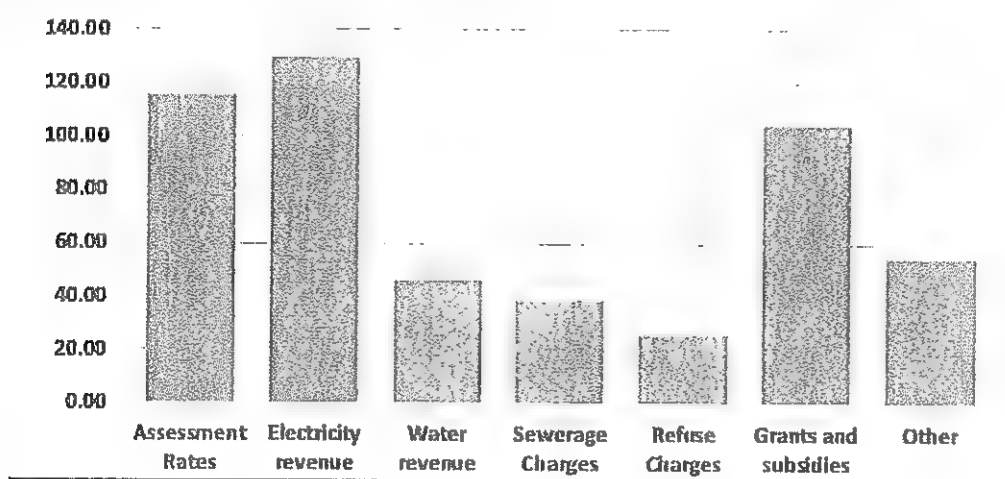
Revenue generated from services charges remain the major source of revenue for the municipality amounting to 46.6% of total revenue.



The major sources of revenue for the 2016/2017 financial year can be summarized as follows:

WHERE THE MONEY COMES FROM

Source	Amount (R Million)	Percentage
Assessment Rates	115.51	22.50%
Electricity revenue	129.33	25.19%
Water revenue	45.75	8.91%
Sewerage Charges	38.81	7.56%
Refuse Charges	25.61	4.99%
Grants and subsidies	104.23	20.30%
Other	54.24	10.56%



Property rates is the second largest revenue source totaling 22.7% or R 116, 7 million and increases to R123, 7 million by 2017/18. The third largest source is grants and subsidies totaling R 104, 2 million and mainly comprises of Equitable Share allocated through the Division of Revenue Act and Provincial housing allocation for the construction of Houses. Other operating grants include the Municipal Financial Capacity building grant, Housing, Library, Finance management grant as well as EPWP incentive grant.

Other revenue consists of various items such as income received from permits and licenses, building plan fees, connection fees, interest on investment, interest on outstanding debtors, fines collected and other sundry receipts and totals R 47, 1 Million for the 2016/2017 financial year. User departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

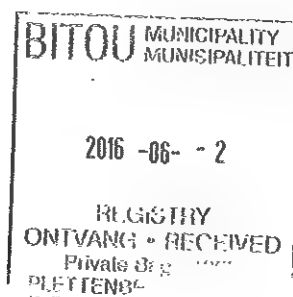


Table 4 Operating Transfers and Grant Receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		26 425	32 804	45 013	60 730	60 730	60 730	67 579	76 117	84 586
Local Government Equitable Share		23 375	29 614	40 946	57 298	57 298	57 298	64 235	74 367	83 036
Finance Management		1 250	1 300	1 450	1 450	1 450	1 450	1 475	1 550	1 550
Municipal Systems Improvement		800	890	946	930	930	930	-	-	-
EPWP Incentive		1 000	1 000	1 671	1 052	1 052	1 052	1 869	-	-
Provincial Government:		418	768	1 299	100	150	150	220	340	472
Housing		39 287	46 705	73 255	30 419	22 751	22 751	25 780	14 469	16 134
Proclaimed Roads		33	1 140	100	766	766	766	2 754	-	-
Library Services - Conditional Grant		468	-	2 101	1 471	1 497	1 497	1 444	1 668	1 769
Library Services - MRF Grant		3 439	4 884	6 350	7 853	5 983	5 983	7 193	8 720	9 243
CDW - Operational Support		54	33	35	36	36	36	19	19	19
Thusong Centre		218	218	-	100	100	100	100	100	112
Provincial Management Support Grant		200	550	1 299	-	50	50	120	240	360
Total Operating Transfers and Grants	5	26 843	33 572	46 312	60 830	60 880	60 880	67 799	76 457	85 058

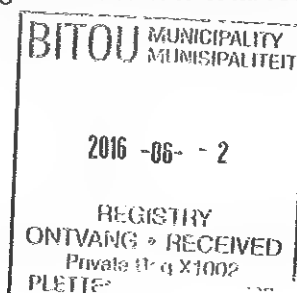
Tariff Setting

Tariff-setting is a pivotal and strategic part of the compilation of any Budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services must be taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. It must be mentioned that keeping these tariffs to inflation levels is done while cost drivers increases above inflation. Irrespective National Treasury still expects Municipalities to justify in their Budget documentation all increases in excess of the upper boundary of the South African Reserve Bank's inflation target. Circular 72 state that, if municipalities continue to act in this manner that increase tariff above inflation, the National Treasury will have no other option but to set upper limits of tariff increases for property rates and service charges to which municipalities will have to conform. Setting of these limits is because any excessive increases are likely to be counterproductive to economic growth and development, resulting in higher levels of non-payment.

The 7.64 percent increases in the average Eskom bulk purchase price once again exceeds the upper boundary of the Reserve bank inflation target resulting in an average proposed increase of 8.0% in the municipal electricity tariff.

Other factors contributing to the rising cost include the agreed collectively agreement on salaries and wages of which increases above upper boundary, the level of services provided, the excessive increase in the price of operational cost like chemicals, spares and other materials that collectively contribute to the extent that tariffs needs to be increased annually. Bitou Municipality has budgeted for a 7.0% increase in accordance with the signed agreement and taking into consideration the percentage of the total salary Budget in relation to total revenue.



1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's Budgeting process. The municipality will be embarking on new valuation roll which is not anticipated to add significantly to the revenue base and it is anticipated that the trend will remain over the duration of the validity of that valuation roll.

A moderate, increase of 6% in the assessment rates tariff is none the less proposed for the 2016/2017 financial year.

The following stipulations in the Property Rates Policy are highlighted:

- The first R 15 000 of the market value of a property used for residential purposes is exempted from the rate-able value (Section 17(h) of the MPRA).
- In terms of the property rates policy of the municipality all residential properties (excluding vacant stands) with a value of up to R 350,000 are exempted from paying assessment rates.
- 100% rebate will be granted to registered indigents in terms of the Indigent Policy, based on the maximum limits as contained in the policy.
- Relief measures based on income also provides for rebates varying from 40% where the monthly income of an owner is less than R 3,630 per month to 10% where the monthly income is less than R 6,050 per month.
- The following conditions apply to the granting of the rebates
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse.
 - The applicant must submit proof of his/her age and identity and also proof of the annual income.
 - The property must be categorized as residential.
- The Municipality may also award a 100% rebate on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work and public benefit organizations as defined in the property rates policy of the municipality. The owner of such a property must apply to the Chief Financial Officer in the prescribed format and at the prescribed date in order to qualify for the relief.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2016/17 financial year based on a 6% increase from 1 July 2016 is contained below:

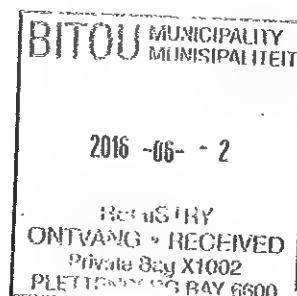


Table 5 Comparison of proposed rates 2016/2017 to levied for 2015/16

Category	Current Tariff (1 July 2015)	Proposed tariff (from 1 July 2016)
	c/R	c/R
Residential properties	0.523	0.554
State owned properties	0.523	0.554
Business & Commercial	0.875	0.928
Agricultural	0.130	0.138
Vacant land	0.679	0.720
Industrial	0.875	0.928
Non-permitted use	1.093	1.159
Public benefit organizations	0.875	0.928

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Budget Circular 67 makes specific reference to the fact that water tariffs should be cost reflective and that municipalities should ensure that water complies with all applicable quality standards. The water tariff structure must therefore ensure that:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.
- Punitive tariffs are introduced to encourage efficient water use during drought periods.

A tariff increase of 6.0% from 1 July 2016 for water is proposed. This is based on input cost assumptions inclusive of the increase in the cost of bulk water from Department of Water Affairs, standard levels set by the same department and increased wage bill of 6% and the cost of other inputs increasing by between 6% and 7%. In addition 6 kℓ water per month will again be granted free of charge to residents where the value of the property is below R 350, 000.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 6 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2015/16	PROPOSED TARIFFS 2016/17
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
Basic/Minimum Charge	281.36 p.m.	298.24 p.m.
(i) 0 to 25 kℓ	Incl. in Basic charge	Incl. in Basic charge
(ii) Above 25 to 30 kℓ	6.61	7.01
(iii) Above 30 to 40 kℓ	9.25	9.65

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CATEGORY	CURRENT TARIFFS 2015/16	PROPOSED TARIFFS 2016/17
	Rand per kℓ	Rand per kℓ
(iv) Above 40 to 50 kℓ	11.23	11.63
(v) Above 50 to 60 kℓ	14.53	14.93
(vi) Above 60 to 70 kℓ	18.50	18.90
(vii) Above 70 kℓ	36.34	36.74
NON-RESIDENTIAL		
(i) 0 – 60 kℓ	9.12	9.52
(ii) Above 60 to 100 kℓ	20.65	21.05
(iii) Above 100 to 200 kℓ	23.61	24.01
(iv) Above 200 kℓ Excl. Laundromats	26.53	26.93
(v) Above 200 kℓ Laundromats	23.61	24.01

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Table 7 Comparison between current water charges and increases (Domestic)

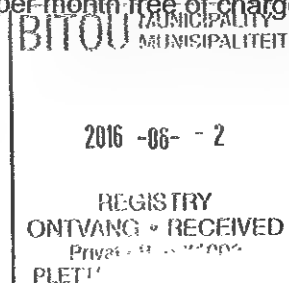
Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
25	281.36	298.24	16.88	6%
30	314.38	333.24	18.86	6%
40	406.88	431.29	24.41	6%
50	519.17	550.32	31.15	6%
60	664.51	704.38	39.87	6%
70	849.52	900.49	50.97	6%
100	1 939.46	2055.83	116.37	6%

The tariff structure from the 2015/16 financial year has not been changed.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 7.64% increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2016, this subject to the approval that must still be granted to the application of Eskom to increase tariffs more.

Considering the Eskom increases, the consumer tariff had to be increased by 7.64% to offset the additional bulk purchase cost as well as recover the additional cost components such as the increase in the wage bill, general expenditure and increased maintenance and material cost for the 2016/2017 financial year. The continued above average increase in electricity prices has resulted in a downward trend in the average consumption patterns of consumers in an attempt to mitigate the effect of the increased cost of electricity resulting in a negative impact on the municipal accounts and this will affect electricity revenue. Registered indigents as well as sub-economic consumers will again be granted 50 kWh per month free of charge.



The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

Table 8 Comparison current vs. new electricity charges (Domestic up to 60A connection)

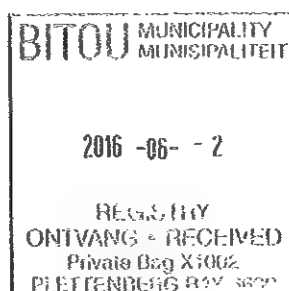
Monthly Consumption	Current amount payable	Proposed amount Payable	Difference (Increase)	Percentage change
kWh	R	R	R	%
100	89.52	96.68	7.16	8.0%
250	239.38	258.53	19.15	8.0%
500	631.2	681.70	50.50	8.0%
750	1007.46	1088.06	80.60	8.0%
1 000.00	1 409.66	1522.43	112.77	8.0%
2 000.00	3 018.48	3259.96	241.48	8.0%

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6.0% for sanitation from 1 July 2016 is proposed. The increase in tariffs can also be ascribed to rising wage cost, the increase in electricity used in purification and pumping processes, the service standards set by Department of Water and Sanitation and the general increase in the price of goods and services. It must also be emphasized that the municipality must ensure that purification processes complies with quality standards and that green drop status is maintained. Additional Budgetary allocation was made for the full time employment of process controllers and other waste water purification staff members critical in maintaining high quality purification processes and results.

Table 9 Comparison between current sanitation charges and increases

	TARIFF PER Annum	TARIFF PER Annum
	R	R
Single Residential	4,169.47	4,419.53
Shops, B&B's Offices, Hotels	6,410.14	6,794.52
Single residential used for business purposes, restaurants	8,333.61	8,833.11
Group housing and resort zones	4,169.47	4,419.53
Residential property valuation below R350,000 (70% / 50% rebate on single residential tariff)	2,084.74	2,209.82
Septic tank removals	384.48	407.25
Sanitation fee no waterborne sewerage	1,628.70	1,725.97



The following table shows the impact of the proposed increases in sanitation tariffs on the amounts charged per consumer category

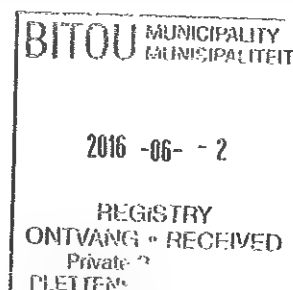
Table 10 Comparison between current sanitation charges and new, per consumer type

		Proposed amount		
	Current amount			
Consumer type	payable	payable	Difference	(% increase)
	R	R	R	
Single Residential	4,169.37	4,419.53	250.16	6.0%
Shops, B&B's Offices, Hotels	6,409.92	6,794.52	384.60	6.0%
Single residential used for business purposes, restaurants	8,333.12	8,833.11	499.99	6.0%
Group housing and resort zones	4,169.37	4,419.53	250.16	6.0%
Residential property valuation below R350,000	2,084.74	2,209.82	125.08	6.0%
Septic tank removals	384.20	407.25	23.05	6.0%
Sanitation fee no waterborne sewerage	1,628.27	1,725.97	97.70	6.0%

1.4.5 Waste Removal and Impact of Tariff Increases

Budget circular 66 and 67 state that municipalities should strive to Budget for a moderate surplus in order to ensure that the required funding levels are maintained and to ensure that the provision for the rehabilitation of the land fill site is cash backed. The Municipality is currently in a process to close the current land fill site and it is therefore of essence that sufficient funds are available for the rehabilitation of the landfill site estimated to be in excess of R 6 Million. The construction of a waste transfer facility has been completed and has been operational since 01 March 2016. The only remaining parts are for the construction of the composite facility and drop off facility for builder's rubble and green waste. The municipality has no alternative but to transport its waste to the Petro SA dumpsite in Mosselbay at an exorbitant cost. Petro SA has already given five extensions and the last one is that they will close their dumpsite on 01 January 2017 and will not give any further extension. This is a serious challenge not only facing Bitou Municipality but the whole of the Eden district Municipalities. Engagements are continuing at regional level and include provincial departments to find a lasting solution through development of a regional landfill site. In an attempt to reduce this cost, composting of green waste will be done to reduce the volumes. Recycling is promoted to further reduce the volumes and subsequent cost of transporting of waste. The combined cost of transporting, composting and recycling is at R 4. 7 Million for the current, 2015/2016 financial year.

In accordance with the National Treasury directive cost reflective tariff setting is engaged with resulting in an increase of 9.0% in the waste removal tariff with effect from 1 July 2016. To avoid further higher than normal increases in the refuse tariff it is essential that consumers make use of composting and recycling to reduce refuse volumes. The Municipality will continue to educate community on waste management, recycling and composite.



In order to ensure that all owners of property contribute fairly towards to cost associated with the service, an availability charge for refuse for all vacant stands was implemented in the 2015/2016 Budget year as the refuse facilities needs to make provision for all possible units of refuse generated measured in terms of all approved erven. Although the refuse charge increases by 9.0%, the Municipality has made the availability charge on vacant stands to be 10.0% less than the normal charge. This takes into consideration public comment in the wards during Final Draft Budget of 2015/16 public participation process.

The following table compares current and proposed amounts payable from 1 July 2016:

Table 11 Comparison between current waste removal fees and increases

	Current Tariff	Proposed Tariff	Difference	%
	2012/2013	2014/2015	Per Annum	Difference
One removal per bin per week	Per Annum (R)	Per Annum (R)	Per month (R)	
Domestic 80ℓ container removed once a week	2,220.74	2,420.61	199.87	9.0%
Domestic 240ℓ container removed once a week	2,329.94	2,539.63	209.69	9.0%
Business/Commercial 80ℓ container removed twice a week	2,888.16	3,148.09	259.93	9.0%
Business/Commercial 240ℓ container removed once a week	3,176.67	3,462.57	285.90	9.0%

1.4.6 Overall Impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 6% and 7.0%, with the increase for indigent households at 0% due to full subsidization.

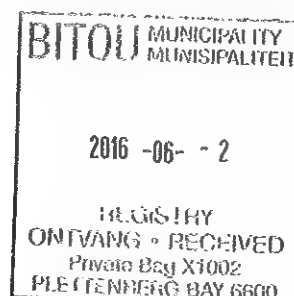
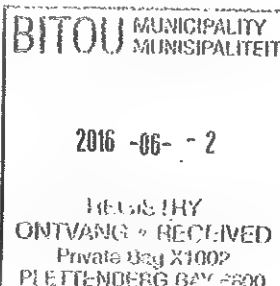


Table 12 MBRR Table SA14 – Household bills

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % Incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		252.31	268.29	279.71	299.12	299.12	299.12	5.9%	316.81	336.79	355.63
Electricity: Basic levy		183.60	187.20	200.30	225.00	225.00	225.00	7.2%	241.20	260.50	281.34
Electricity: Consumption		1 017.50	1 087.50	1 335.87	1 310.75	1 310.75	1 310.75	7.5%	1 409.00	1 521.72	1 643.44
Water: Basic levy		237.59	252.00	264.00	281.36	281.36	281.36	6.4%	299.37	318.53	338.91
Water: Consumption		27.90	29.55	31.15	33.05	33.05	33.05	6.1%	35.05	37.15	39.40
Sanitation		291.17	309.83	325.33	347.42	347.42	347.42	6.8%	371.00	396.25	423.20
Refuse removal		160.00	171.17	180.58	194.17	194.17	194.17	7.0%	207.78	222.30	237.86
Other		-	-	-	-	-	-	-	-	-	-
sub-total		2 170.07	2 305.54	2 616.94	2 690.87	2 690.87	2 690.87	7.0%	2 869.19	3 093.24	3 319.78
VAT on Services		268.49	285.22	327.21	334.85	334.85	334.85	7.2%	358.87	385.90	414.98
Total large household bill:		2 438.56	2 590.76	2 944.15	3 025.72	3 025.72	3 025.72	7.1%	3 228.06	3 479.14	3 734.76
% Increase/decrease			6.2%	13.6%	2.8%	-	-	7.1%	7.4%	7.3%	
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		178.64	189.96	198.04	211.78	211.78	211.78	5.9%	224.31	238.46	251.80
Electricity: Basic levy		183.60	187.20	200.30	225.00	225.00	225.00	7.2%	241.20	260.50	281.34
Electricity: Consumption		417.50	444.50	578.97	523.75	523.75	523.75	7.3%	561.85	606.81	655.34
Water: Basic levy		237.59	252.00	264.00	281.36	281.36	281.36	6.4%	299.37	318.53	338.91
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		291.17	309.83	325.33	347.42	347.42	347.42	6.8%	371.00	396.25	423.20
Refuse removal		160.00	171.17	180.58	194.17	194.17	194.17	7.0%	207.78	222.30	237.86
Other		-	-	-	-	-	-	-	-	-	-
sub-total		1 458.50	1 554.66	1 747.22	1 783.48	1 783.48	1 783.48	6.8%	1 905.50	2 042.85	2 188.45
VAT on Services		160.58	191.06	216.89	220.04	220.04	220.04	7.0%	235.37	252.61	271.13
Total small household bill:		1 649.08	1 745.72	1 964.11	2 003.52	2 003.52	2 003.52	6.9%	2 140.87	2 295.46	2 459.58
% Increase/decrease			5.9%	12.5%	2.0%	-	-	6.9%	7.2%	7.2%	
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		104.98	111.63	116.38	124.45	124.45	124.45	5.9%	131.81	140.13	147.96
Electricity: Basic levy		153.00	156.00	166.92	187.50	187.50	187.50	7.2%	201.00	217.08	234.45
Electricity: Consumption		231.00	278.00	297.22	320.05	320.05	320.05	7.0%	342.59	370.01	399.59
Water: Basic levy		237.59	252.00	264.00	281.36	281.36	281.36	6.4%	299.37	318.53	338.91
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		291.17	309.83	325.33	347.42	347.42	347.42	6.8%	371.00	396.25	423.20
Refuse removal		160.00	171.17	180.58	194.17	194.17	194.17	7.0%	207.78	222.30	237.86
Other		(827.95)	(906.63)	(955.21)	(1 030.77)	(1 030.77)	(1 030.77)	6.7%	(1 100.21)	(1 177.10)	(1 258.37)
sub-total		349.79	372.00	395.22	424.18	424.18	424.18	6.9%	453.32	487.20	523.60
VAT on Services		34.27	36.45	39.04	41.96	41.96	41.96	7.3%	45.01	48.59	52.59
Total small household bill:		384.06	408.45	434.26	466.14	466.14	466.14	6.9%	498.33	535.79	576.19
% Increase/decrease			6.4%	6.3%	7.3%	-	-	6.9%	7.5%	7.5%	



1.5 Operating Expenditure Framework

Bitou Municipality's expenditure framework for the 2016/17 Budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced Budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- The financial recovery of the municipality to ensure the required funding levels are achieved and maintained.
- Continued provision of basic services and financial sustainability
- Operational gains and efficiencies will be directed to ensure appropriate cash backing of statutory funds, provisions and reserves as well as funding the capital Budget and other core services.

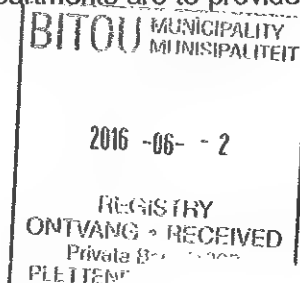
The following table is a high level summary of the 2016/17 Budget and MTREF (classified per main type of operating expenditure):

Table 13 Summary of operating expenditure by standard classification item

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Expenditure By Type											
Employee related costs	2	108 939	131 031	134 040	174 076	176 133	176 133	176 133	195 309	216 066	231 748
Remuneration of councillors		4 043	4 710	4 767	5 289	5 289	5 289	5 289	5 597	5 960	6 348
Debt impairment	3	11 650	28 167	24 404	37 192	37 192	37 192	37 192	31 999	34 022	24 436
Depreciation & asset impairment	2	29 396	29 837	22 055	20 326	19 337	19 337	19 337	22 731	25 459	28 514
Finance charges		13 559	13 683	21 177	15 076	15 314	15 314	15 314	15 318	16 672	18 120
Bulk purchases	2	70 626	76 400	84 459	91 012	91 012	91 012	91 012	89 994	92 720	96 537
Other materials	8	2 539	2 830	3 358	3 503	3 961	3 961	3 961	4 257	4 448	4 603
Contracted services		18 876	14 224	21 913	23 002	23 604	23 604	23 604	22 769	20 113	20 168
Transfers and grants		1 779	1 948	3 043	3 727	4 200	4 200	4 200	3 632	3 738	3 844
Other expenditure	4, 5	89 908	107 987	116 634	111 214	127 519	127 519	127 519	130 783	119 745	126 819
Loss on disposal of PPE		-	-	-	83	83	83	83	-	-	-
Total Expenditure		351 345	410 817	435 850	484 500	503 643	503 643	503 643	522 388	539 942	561 136

The Budgeted allocation for employee related costs for the 2016/17 financial year totals R 195, 3 Million, which equals 37.0% of the total operating expenditure. Based on the collective SALGBC wage agreement, salary increases have been factored into this Budget at a percentage increase of 7% for the 2016/17 financial year with the outer two years factored at CPIX plus 1 as per agreement.

In order to ensure economic viability and to not overstretch the already limited financial resources, cash management strategy and vacancies have to be significantly rationalized downwards and Budgeted based on critical areas in line with provision made for other operations. Only the positions that are critical for service delivery have been included in the 2016/2017 Budget. These positions are mainly at water and waste water and fire services. In line with National Treasury advocacy on use of external service providers, departments are to provide detailed exit plan on



use of consultants before any positions can be funded and appointments be made within each directorate.

In this MTREF funding of new post has been done taking into consideration the work study that must still be conducted and completed, meaning core service delivery positions and some critical positions that were funded since last year continue to take priority again.

The cost associated with the remuneration of public office bearers is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The remuneration cost of councilors is partially subsidized through the equitable share allocation awarded to the municipality in terms of the division of revenue Act. An allocation in the amount of R 64, 0 million is awarded to Bitou for the 2016/2017 financial year.

The provision of debt impairment was determined based on an annual collection rate of 94.0% and the Debt Write-off Policy of the Municipality. The current average collection rate equals 95% at end of April 2016 and it is anticipated that the recovery of debt, through the increase in debt collection action will reach a level of 98.0% upon conclusion of the current financial year. The provision amounts to R 31, 9 million for the 2016/17 financial year, this include impairment of traffic fines. Traffic fines impairments is budgeted at R 12, 1 million that must be recognized in terms of IGRAP.

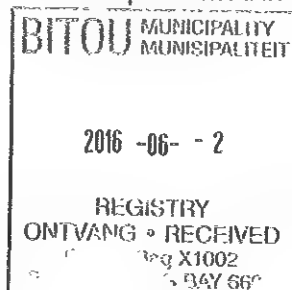
Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate at which assets are consumed. Budget appropriations in this regard total R 22, 7 million for the 2016/17 financial year and equates to 4.3% of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 2.9% (R15, 3 million) of operating expenditure excluding annual redemption for 2016/17 and remains constant through the remainder of the MTREF. Bitou Municipality has small room in its prudential limits for borrowing and care needs to be taken to ensure that annual finance charges remains within the affordability threshold of ratepayers and consumers considering the prevailing economic circumstances.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the Budget appropriations and directly inform the revenue provisions. The expenditure includes electricity distribution losses which equals to 11.5% compared to 17.0% of the previous year, Water distribution losses as at 30 June 2015 amounted to 4.9% compared to 7.0% in the previous year and a concerted effort is necessary to ensure the reduction of the losses to within acceptable norms.

Other materials comprise of amongst others the purchase of materials and spares for maintenance, cleaning materials and chemicals.

Contracted services relates to the provision of services by means of the appointment of service providers where the necessary in-house skills are not available or have not yet been adequately developed. Certain functions also require the contracting of specialist knowledge contracted from time to time due to the fact that the municipality cannot afford to employ experts on a full-time basis. This category of expenditure decreases by (R0, 8 million). This again emphasizes the need to build capacity to ensure certain functions are performed in-house as recommended by National Treasury.



Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Other expenditure increases by 2.5 for the 2016/17 financial year and reduces with 8.4% for the 2017/2018 year, where-after it increase by 5.9% for the 2018/2019 year. The reduction between 2016/17 and 2017/18 in the other expenditure is mainly due to housing grant allocation which decreases by R11, 6 million.

The following graph gives a breakdown of the main expenditure categories for the 2016/17 financial year.

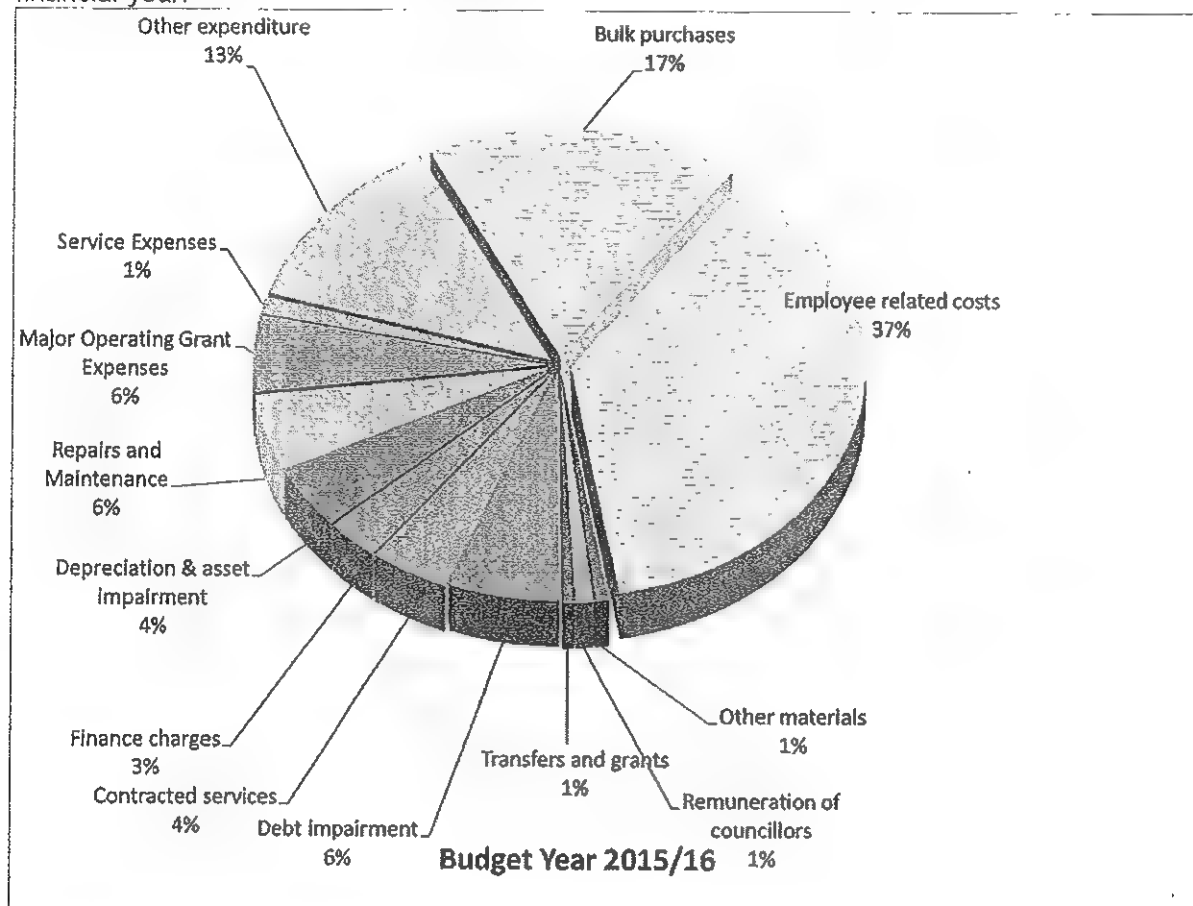


Figure 2: Main operational expenditure categories for the 2016/17 financial year

1.5.1 Priority given to repairs and maintenance

In order to ensure the health of the assets of the municipality and to prolong the useful lives, it is necessary to ensure that repairs and maintenance is adequately Budgeted. Budget circular 66 cautions municipalities not to affect savings in repairs and maintenance to balance the Budget but to ensure that sufficient budgetary allocation is made for this expenditure item. In line with Bitou Municipality's repairs and maintenance plan this group of expenditure has been prioritized to ensure sustainability of Bitou Municipality's infrastructure.

The following table is a consolidation of all the expenditures associated with repairs and maintenance:

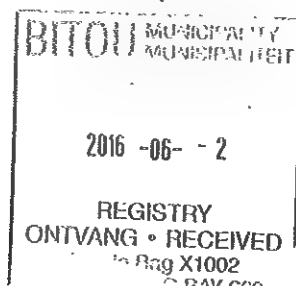


Table 14 Operational repairs and maintenance

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
Repairs and Maintenance by Expenditure Item	8										
Other Expenditure		9 413	10 540	12 809	19 361	19 340	19 340	19 340	28 469	29 206	30 054
Total Repairs and Maintenance Expenditure	9	9 413	10 540	12 809	19 361	19 340	19 340	19 340	28 469	29 206	30 054

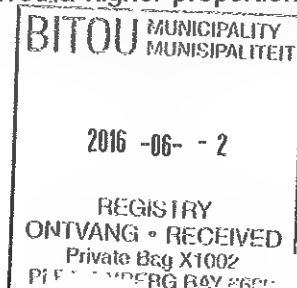
Repairs and maintenance is increases by 47.2% compared to the May adjustments Budget (from R 19, 3 million to R 28, 4 million) and this relate to repairs and maintenance being 5.4% of the operating budget in the 2016/2017 financial year in. During the May 2015/2016 Adjustment Budget this allocation was adjusted slightly downwards by 0.1%. As part of the 2016/17 MTREF this strategic imperative remains a priority, it must be improved as can be seen by the Budget appropriations over the MTREF. The allocation to repairs and maintenance gradually increases over the MTREF and is reliant on the financial recovery of the municipality to be further supplemented.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 15 Repairs and maintenance per asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		29 396	29 837	22 055	20 326	19 337	19 337	22 731	25 459	28 514
Repairs and Maintenance by Asset Class	3	9 413	10 540	12 809	19 361	19 340	19 340	28 469	29 206	30 054
Infrastructure - Road transport		1 173	1 715	2 006	3 667	4 651	4 651	8 183	8 321	8 505
Infrastructure - Electricity		1 540	1 969	1 796	2 445	2 509	2 509	4 616	4 922	4 266
Infrastructure - Water		1 165	175	573	801	585	585	850	1 326	1 436
Infrastructure - Sanitation		1 257	983	1 957	2 037	2 037	2 037	2 281	2 555	2 861
Infrastructure - Other		623	523	-	718	-	-	1 710	732	761
Infrastructure		5 758	5 366	6 332	9 667	9 782	9 782	17 639	17 855	17 829
Community		815	1 699	1 979	4 029	4 031	4 031	3 695	3 950	4 206
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	2 841	3 476	4 499	5 665	5 528	5 528	7 135	7 400	8 019
TOTAL EXPENDITURE OTHER ITEMS		36 609	40 377	34 864	39 687	38 677	38 677	51 209	54 564	58 568

For the 2016/17 financial year, 61.9% or R 17, 6 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure receives an allocation totaling 16.2% (R4, 6 million), road infrastructure has received a higher proportion of this allocation totaling 28.7%



(R8, 1 million), sanitation 8.0% (R2, 2 million) and water 2.9% (R0, 8). Community assets have been allocated R 3, 6 million of total repairs and maintenance equating to 12.9%.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of Bitou Municipality's Indigent Policy. It is estimated that between 4378 and 4600 households will receive subsidy on tariffs and rates in the 2016/2017 financial year, either by means of the full basket of services given as Indigent subsidies or in terms of the property value threshold where owners of properties with a value of less than R 350, 000 qualify for services at sub-economic tariffs. The estimated expenditure on free and subsidized services, inclusive of assessment rate rebates will exceed R 51.6 Million for the 2016/2017 financial year.

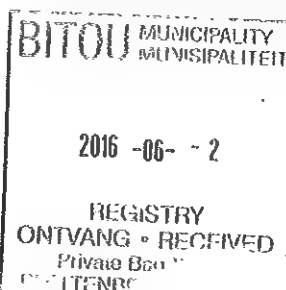
The results of Census 2011 has also shown that the population of Bitou have significantly increased over the last 10 years, making it the fourth fastest growing area, measured by population in the country from census to census. The indigent process is one of self-registration therefore households needing assistance must annually apply for the subsidy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.6 Capital expenditure

The following table provides a breakdown of Budgeted capital expenditure by vote:

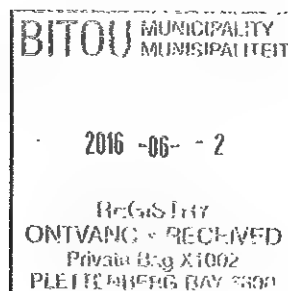
Table 16 2016/17 Medium-term capital Budget per vote

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Council		-	-	-	-	-	-	-	-	-	-
Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Community Services		351	1 745	5 549	13 199	11 545	11 545	11 545	8 370	2 270	200
Corporate Services		-	-	-	-	-	-	-	-	-	-
Financial Services		-	-	-	1 000	1 020	1 020	1 020	-	-	-
Strategic Services		-	-	-	-	-	-	-	-	-	-
Engineering Services		3 106	28 910	100	-	-	-	-	28 293	43 942	47 700
Capital multi-year expenditure sub-total	7	3 457	30 654	5 649	14 199	12 565	12 565	12 565	36 663	45 212	47 900
Single-year expenditure to be appropriated	2										
Council		11	320	-	-	-	-	-	-	-	-
Office of the Municipal Manager		-	44	287	310	139	139	139	102	-	-
Community Services		334	26 858	9 534	26 299	31 272	31 272	31 272	8 710	5 372	4 703
Corporate Services		30	248	286	386	389	389	389	402	-	-
Financial Services		59	1 508	1 469	2 848	5 672	5 672	5 672	1 375	1 850	1 100
Strategic Services		218	369	-	3 080	3 670	3 670	3 670	4 005	-	-
Engineering Services		30 290	9 863	38 274	42 747	48 530	48 530	48 530	64 807	50 755	45 826
Capital single-year expenditure sub-total		30 942	39 210	49 649	75 671	89 673	89 673	89 673	79 401	57 977	51 629
Total Capital Expenditure - Vote		34 399	69 865	55 497	89 870	102 237	102 237	102 237	116 064	104 189	99 529



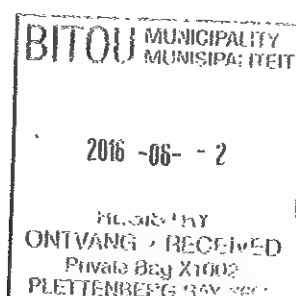
An amount of R 87.6 million has been appropriated for the development of infrastructure which represents 75.5 % of the total capital Budget.

New assets represent 85.1% or R 98, 8 million of the total capital budget while asset renewal equates to 14.8% or R 17.3 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management). In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital program relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class.



The following is a list of projects to be undertaken over the medium-term:

Department Name	Vote Description	NT Capital Funding Description	Budget Amount 2016/17	Budget Amount 2017/18	Budget Amount 2018/19
OFFICE, POLITICAL OFFICE B	COUNCIL CHAMBER UPGRADES	Asset Financing Reserve	R 100 000	R -	R -
LEGAL SERVICES	FURNITURE AND EQUIPMENT 1	Asset Financing Reserve	R 50 000	R -	R -
HUMAN SETTLEMENT & HOUSING	PURCHASE OF LAND (GRANTS)	Provincial Government Transfer	R 924 592	R 1 105 522	R 516 349
HUMAN SETTLEMENT AND HOUS	PURCHASE OF LAND - EFF	External Loans	R 2 000 000	R 1 000 000	R -
HUMAN SETTLEMENT AND HOUS	PURCHASE OF LAND	Asset Financing Reserve	R 129 443	R 154 773	R 72 289
PARKS & RECREATION-BEACH CONTR	TOOLS AND EQUIPMENT	Asset Financing Reserve	R -	R 200 000	R -
PARKS & RECREATION BEACH CONTR	LDV LONG WHEEL BASE DIESEL	Asset Financing Reserve	R 300 000	R -	R -
LIBRARY SERVICES	BOOK DETECTION SYSTEM	Provincial Government Transfer	R 140 351	R -	R -
LIBRARY SERVICES	COMPUTER EQUIPMENT 1	Provincial Government Transfer	R 78 947	R -	R -
LIBRARY SERVICES	AIR CONDITIONERS	Provincial Government Transfer	R 121 053	R -	R -
LIBRARY SERVICES	UPGRADE OF MUNICIPAL BUILDINGS	Provincial Government Transfer	R 399 123	R -	R -
LIBRARY SERVICES	FURNITURE AND EQUIPMENT	Provincial Government Transfer	R 307 018	R -	R -
FIRE FIGHTING	FIRE HYDRANTS	Asset Financing Reserve	R 80 000	R -	R -
FIRE FIGHTING	TOOLS AND EQUIPMENT	Asset Financing Reserve	R 400 000	R 60 000	R -
PROTECTION SERVICES: FIRE	UPGRADE OF BUILDINGS	Asset Financing Reserve	R -	R 625 000	R -
PROTECTION SERVICES: FIRE	HAZMAT EQUIPMENT	Asset Financing Reserve	R 200 000	R 200 000	R 200 000
TRAFFIC SERVICES	TOOLS AND EQUIPMENT	Asset Financing Reserve	R 60 000	R 80 000	R -
TRAFFIC SERVICES	TRAILOR	Asset Financing Reserve	R 200 000	R -	R -
TRAFFIC SERVICES	LAND AND BUILDINGS 2	External Loans	R 4 500 000	R -	R -
TRAFFIC SERVICES	FURNITURE AND EQUIPMENT 1	Asset Financing Reserve	R 40 000	R 70 000	R -
PROTECTION SERVICES: TRAF	TECHNICAL EQUIPMENT	Asset Financing Reserve	R 100 000	R 150 000	R -
PROTECTION SERVICES: TRAF	SPECIALISED EQUIPMENT	Asset Financing Reserve	R -	R 150 000	R -
PROTECTION SERVICES: LAW ENFORC	TOOLS AND EQUIPMENT	Asset Financing Reserve	R 40 000	R 40 000	R 40 000
PROTECTION SERVICES: LAW	RADIO COMM UPGRADE	Asset Financing Reserve	R -	R -	R 300 000
PARKS AND RECREATION: PAR	KRANSHOEK: UPGRADE SPORTS FAC	External Loans	R 617 086	R -	R -
PARKS AND RECREATION: PAR	BOSSIESGIF: UPGRADE SPORTS FAC	External Loans	R -	R 280 000	R 307 000
PARKS MAINTENANCE & HORTICULTU	EQUIPMENT	Asset Financing Reserve	R 188 000	R -	R 100 000
PARKS MAINTENANCE & HORTICULTU	UPGRADE OF SPORTS FACIL: MIG	National Government Transfers	R 2 562 275	R -	R -
PARKS AND RECREATION: PAR	BOSSIESGIF: UPGRADE SPORTS FAC	National Government Transfers	R -	R 903 508	R 947 368
PARKS & RECREATION: CEMETRIES	ESTABLISHMENT OF NEW CEMETARY	External Loans	R 700 000	R 700 000	R -
PARKS & RECREATION: CEMETRIES	ESTABLISHMENT OF NEW CEMETARY1	Asset Financing Reserve	R 500 000	R -	R -
PARKS AND RECREATION: SIM	PA SYSTEM FOR HALLS	Asset Financing Reserve	R 20 000	R -	R -
PARKS AND RECREATION: SIM	PLASTIC CHAIRS AND TABLES FOR	Asset Financing Reserve	R 70 000	R 70 000	R -
PARKS AND RECREATION: SIM	WEEDEASTERS FOR GRASS CUTTING	Asset Financing Reserve	R 8 000	R -	R -
ADMINISTRATIVE SERVICES	UPGRADE OF MUNICIPAL BUILDINGS	Asset Financing Reserve	R 160 000	R -	R -
HOD: CORPORATE SERVICES	FURNITURE AND EQUIPMENT	Asset Financing Reserve	R 2 000	R -	R -
HUMAN RESOURCES MANAGEMEN	EXTERNAL APPLICATION BOX	Asset Financing Reserve	R 5 000	R -	R -
HUMAN RESOURCES MANAGEMEN	WHITE BOARD	Asset Financing Reserve	R 2 000	R -	R -
HUMAN RESOURCES MANAGEMEN	AIR CONDITIONERS	Asset Financing Reserve	R 20 000	R -	R -
HUMAN RESOURCES MANAGEMENT	FURNITURE AND EQUIPMENT 1	Asset Financing Reserve	R 30 000	R -	R -
AERODROME	PAVING FOR ENTRANCE AND SURROUNDS	Asset Financing Reserve	R 1 300 000	R -	R -
HOD: CORPORATE SERVICES	UPGRADE OF BUILDINGS	External Loans	R 2 700 000	R -	R -
COMMUNICATION	NOTICE BOARDS	Asset Financing Reserve	R 100 000	R -	R -
COMMUNICATION	PODIUMS	Asset Financing Reserve	R 35 000	R -	R -
SCM	FURNITURE AND EQUIPMENT 1	Asset Financing Reserve	R 100 000	R -	R -
INFORMATION & COMMUNICATION TE	COMPUTER EQUIPMENT 1	Asset Financing Reserve	R 205 000	R 600 000	R 200 000
INFORMATION & COMMUNICATION TE	MAIN BUILDING NETWORK SWITCHES	Asset Financing Reserve	R 60 000	R -	R -
INFORMATION & COMMUNICATION TE	COMPUTER REPLACEMENT	Asset Financing Reserve	R 400 000	R 950 000	R 600 000
INFORMATION & COMMUNICATION TE	WIRELESS EQUIPMENT	Asset Financing Reserve	R 200 000	R 200 000	R 200 000
INFORMATION & COMMUNICATION TE	WIRELESS UPGRADES	Asset Financing Reserve	R 100 000	R 100 000	R 100 000



Department Name	Vote Description	NT Capital Funding Description	Budget Amount 2016/17	Budget Amount 2017/18	Budget Amount 2018/19
INFORMATION & COMMUNICATION TECHNOLOGY	MANAGEMENT SOFTWARE	Asset Financing Reserve	R 95 000	R -	R -
BUDGET AND TREASURY OFFICE	FURNITURE AND EQUIPMENT	Asset Financing Reserve	R 160 000	R -	R -
REVENUE SERVICES	FURNITURE AND EQUIPMENT	Asset Financing Reserve	R 10 000	R -	R -
EXPENDITURE	FURNITURE AND EQUIPMENT	Asset Financing Reserve	R 45 000	R -	R -
BUILDING CONTROL	TOOLS AND EQUIPMENT	Asset Financing Reserve	R 5 000	R -	R -
ROADS, STORMWATER & BUILDING MAINTENANCE	TOOLS AND EQUIPMENT	Asset Financing Reserve	R 130 000	R 40 000	R 50 000
ROADS, STORMWATER AND BUILDING MAINTENANCE	KRANSHOEK: UPGRADE GRAVEL ROAD	External Loans	R 673 870	R 673 870	R 673 870
ROADS, STORMWATER AND BUILDING MAINTENANCE	KURLAND: UPGRADE GRAVEL ROADS	National Government Transfers	R 2 607 462	R -	R -
ROADS, STORMWATER AND BUILDING MAINTENANCE	KURLAND: UPGRADE GRAVEL ROADS	External Loans	R 137 235	R -	R -
ROADS, STORMWATER & BUILDING MAINTENANCE	KWANO CIVIL SERVICES PHASE 4	Provincial Government Transfer	R 7 036 547	R -	R -
ROADS, STORMWATER & BUILDING MAINTENANCE	GREEN VALLEY PHASE 1 (21)	Provincial Government Transfer	R 520 213	R -	R -
ROADS, STORMWATER & BUILDING MAINTENANCE	GREEN VALLEY PHASE 2, 3 & 4	Provincial Government Transfer	R 578 439	R 784 748	R 2 463 740
ROADS, STORMWATER & BUILDING MAINTENANCE	NEW HORIZONS (63)	Provincial Government Transfer	R 1 540 168	R -	R -
ROADS, STORMWATER & BUILDING MAINTENANCE	QOLWENI/BOSSIESGIF PH 4A (410)	Provincial Government Transfer	R 4 663 649	R 5 737 131	R 5 975 958
ROADS, STORMWATER & BUILDING MAINTENANCE	KWANOKUTHULA PHASE 5 (1000)	Provincial Government Transfer	R 633 365	R 927 125	R 3 416 710
ROADS, STORMWATER & BUILDING MAINTENANCE	SHELL ULTRA CITY (167)	Provincial Government Transfer	R 435 856	R 3 922 700	R -
ROADS, STORMWATER & BUILDING MAINTENANCE	EBENHAEZER PORTIONS 3,20,42,44	Provincial Government Transfer	R 506 691	R 304 015	R 2 612 985
ROADS, STORMWATER & BUILDING MAINTENANCE	NEW HORIZONS-CRR	Asset Financing Reserve	R 923 000	R -	R -
ROADS, STORMWATER AND BUILDING MAINTENANCE	QOLWENI/BOSSIESGIF PH 4B (301)	Provincial Government Transfer	R 1 002 686	R 267 383	R 1 544 577
ROADS, STORMWATER AND BUILDING MAINTENANCE	QOLWENI PHASE 5 (141)	Provincial Government Transfer	R -	R 313 132	R 281 818
ROADS, STORMWATER & BUILDING MAINTENANCE	BEACON WAY SLIP	Provincial Government Transfer	R 185 233	R 978 730	R 991 756
ROADS, STORMWATER & BUILDING MAINTENANCE	NEW HORIZONS: PARKING AREA (RID)	Asset Financing Reserve	R -	R -	R 375 000
ROADS, STORMWATER & BUILDING MAINTENANCE	KWANO: WALKWAY/CROSSING (NMT)	Asset Financing Reserve	R 500 000	R 500 000	R 500 000
ROADS, STORMWATER & BUILDING MAINTENANCE	LOOKOUT BEACH: PARKING (CDP)	External Loans	R -	R 750 000	R 1 000 000
ROADS, STORMWATER & BUILDING MAINTENANCE	KRANSHOEK: UPGRADE GRAVEL ROADS (H)	National Government Transfers	R 3 508 773	R 4 385 965	R 4 385 965
ROADS, STORMWATER & BUILDING MAINTENANCE	PLETT: REHAB PAVED ROADS (PMS)	Asset Financing Reserve	R 1 500 000	R 1 500 000	R 1 500 000
ROADS, STORMWATER & BUILDING MAINTENANCE	KWANO CIVIL SERVICES PHASE 4	Asset Financing Reserve	R 985 117	R -	R -
ROADS, STORMWATER & BUILDING MAINTENANCE	GREEN VALLEY PHASE 1 (21)	Asset Financing Reserve	R 72 830	R -	R -
ROADS, STORMWATER & BUILDING MAINTENANCE	GREEN VALLEY PHASE 2, 3 & 4	Asset Financing Reserve	R 80 981	R 109 865	R 344 924
ROADS, STORMWATER & BUILDING MAINTENANCE	NEW HORIZONS (63)	Asset Financing Reserve	R 215 624	R -	R -
ROADS, STORMWATER & BUILDING MAINTENANCE	QOLWENI/BOSSIESGIF PH 4A (410)	Asset Financing Reserve	R 652 911	R 803 198	R 836 634
ROADS, STORMWATER & BUILDING MAINTENANCE	KWANOKUTHULA PHASE 5 (1000)	Asset Financing Reserve	R 88 671	R 129 798	R 478 339
ROADS, STORMWATER & BUILDING MAINTENANCE	SHELL ULTRA CITY (167)	Asset Financing Reserve	R 61 020	R 549 178	R -
ROADS, STORMWATER & BUILDING MAINTENANCE	EBENHAEZER PORTIONS 3,20,42,44	Asset Financing Reserve	R 70 937	R 42 562	R 365 818
ROADS, STORMWATER AND BUILDING MAINTENANCE	QOLWENI/BOSSIESGIF PH 4B (301)	Asset Financing Reserve	R 140 379	R 37 434	R 216 241
ROADS, STORMWATER AND BUILDING MAINTENANCE	QOLWENI PHASE 5 (141)	Asset Financing Reserve	R -	R 43 838	R 39 455
ROADS, STORMWATER AND BUILDING MAINTENANCE	HARKERVILLE (80)	Asset Financing Reserve	R 25 933	R 137 022	R 138 846
ROADS, STORMWATER & BUILDING MAINTENANCE	KWANO: UPGRADE GRAVEL ROADS (MIG)	National Government Transfers	R 2 959 509	R 1 419 222	R -
ROADS, STORMWATER & BUILDING MAINTENANCE	KWANO: SISHUBA EXTENSION (MIG)	National Government Transfers	R 2 180 403	R -	R -
ROADS, STORMWATER AND BUILDING MAINTENANCE	PLETT: UPGRADE TAXI RANK	External Loans	R -	R -	R 500 000
ROADS, STORMWATER AND BUILDING MAINTENANCE	PLETT: CBD RINROAD SYSTEM	External Loans	R -	R -	R 500 000
ROADS, STORMWATER AND BUILDING MAINTENANCE	POORTJIES: UPGRADE BEACON WAY	External Loans	R 500 000	R 4 500 000	R 5 000 000
ROADS, STORMWATER AND BUILDING MAINTENANCE	POORTJIES: EMBARKMENT PROTECTION	External Loans	R 1 000 000	R 2 000 000	R 2 000 000
ROADS, STORMWATER AND BUILDING MAINTENANCE	NEW HORIZONS: UPGRADE GRAVEL ROAD	Asset Financing Reserve	R -	R 375 000	R -
ROADS, STORMWATER AND BUILDING MAINTENANCE	NEW HORIZONS: UPGRADE STORMWATER	Asset Financing Reserve	R 500 000	R -	R -
ROADS, STORMWATER AND BUILDING MAINTENANCE	PLETT: CBD PEDESTRIAN ZONE	Asset Financing Reserve	R -	R -	R 200 000
ROADS, STORMWATER AND BUILDING MAINTENANCE	GREEN VALLEY: WALKWAY	Asset Financing Reserve	R 400 000	R 500 000	R 500 000
ROADS, STORMWATER AND BUILDING MAINTENANCE	NEW HORIZONS: PEDESTRIAN CROSS	Asset Financing Reserve	R 100 000	R -	R -
ROADS, STORMWATER AND BUILDING MAINTENANCE	DUNES: REHAB PAVED ROADS	Asset Financing Reserve	R -	R 2 000 000	R 2 000 000
ROADS, STORMWATER AND BUILDING MAINTENANCE	INDUSTRIAL: REHAB OF PAVED ROAD	Asset Financing Reserve	R 500 000	R 500 000	R -
ROADS, STORMWATER AND BUILDING MAINTENANCE	KWANO: UPGRADE GRAVEL ROADS (OWN)	Asset Financing Reserve	R 441 781	R -	R -
ROADS, STORMWATER AND BUILDING MAINTENANCE	KWANO: SISHUBA EXTENSION (OWN)	Asset Financing Reserve	R 401 381	R -	R -
FLEET MANAGEMENT	REPLACEMENT OF FLEET VEHICLE	Asset Financing Reserve	R 9 345 000	R 3 400 000	R 1 650 000
FLEET MANAGEMENT	NEW PLAN & MACHINERY	Asset Financing Reserve	R -	R -	R -
FLEET MAINTENANCE	FURNITURE & EQUIPMENT	Asset Financing Reserve	R 250 000	R 250 000	R 100 000
WASTE MANAGEMENT	WASTE TRANSFER STATION (G)	National Government Transfers	R -	R -	R 736 842
WASTE MANAGEMENT	WASTE TRANSFER STATION	External Loans	R 1 000 000	R -	R -
WASTE MANAGEMENT	WASTE DROP-OFF FACILITY EXTERN	External Loans	R 750 000	R 750 000	R -
SEWERAGE SERVICES	KWANO: UPGRADE OUTFALL SEWER (MIG)	National Government Transfers	R 438 596	R 4 385 965	R 4 385 965
SEWERAGE SERVICES	TOOLS AND EQUIPMENT	Asset Financing Reserve	R 40 000	R 80 000	R 100 000

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Department Name	Vote Description	NT Capital Funding Description	Budget Amount 2016/17	Budget Amount 2017/18	Budget Amount 2018/19
SEWERAGE SERVICES	KWANO CIVIL SERVICES PHASE 4	Provincial Government Transfer	R 1 833 500	R -	R -
SEWERAGE SERVICES	GREEN VALLEY PHASE 1 (21)	Provincial Government Transfer	R 135 549	R -	R -
SEWERAGE SERVICES	GREEN VALLEY PHASE 2, 3 & 4	Provincial Government Transfer	R 150 720	R 204 477	R 641 961
SEWERAGE SERVICES	NEW HORIZONS (63)	Provincial Government Transfer	R 401 312	R -	R -
SEWERAGE SERVICES	QOLWENI/BOSSIESGIF PH 4A (410)	Provincial Government Transfer	R 1 215 177	R 1 494 887	R 1 557 116
SEWERAGE SERVICES	KWANOKUTHULA PHASE 5 (1000)	Provincial Government Transfer	R 165 032	R 241 575	R 890 270
SEWERAGE SERVICES	SHELL ULTRA CITY (167)	Provincial Government Transfer	R 113 568	R 1 022 112	R -
SEWERAGE SERVICES	EBENHAEZER PORTIONS 3,20,42,44	Provincial Government Transfer	R 132 026	R 79 216	R 680 849
SEWERAGE SERVICES	NEW HORIZONS-CRR	Asset Financing Reserve	R 240 500	R -	R -
WATER SERVICES: WASTE WAT	QOLWENI/BOSSIESGIF PH 4B (301)	Provincial Government Transfer	R 261 264	R 69 671	R 402 460
WATER SERVICES: WASTE WAT	QOLWENI PHASE 5 (141)	Provincial Government Transfer	R -	R 81 591	R 73 432
WATER SERVICES: WASTE WAT	HARKERVILLE (80)	Provincial Government Transfer	R 48 265	R 255 022	R 258 416
SEWERAGE SERVICES	KRANSHOEK: UPGRADE PUMP STATIONS	External Loans	R 1 100 000	R -	R -
SEWERAGE SERVICES	PLETT: UPGRADE GANSEVALLEI WWTW (S)	Asset Financing Reserve	R 600 000	R 700 000	R -
SEWERAGE SERVICES	PIESANG VALLEY: UPGRADE PUMP STNS (S)	External Loans	R 3 900 000	R 4 900 000	R 3 400 000
SEWERAGE SERVICES	UPGRADE BPS PUMPSTATION-CRR	Asset Financing Reserve	R 366 000	R -	R -
SEWERAGE SERVICES	SECURITY FOR SITE SITES-CRR	Asset Financing Reserve	R 500 000	R 500 000	R 500 000
SEWERAGE SERVICES	PUMP STATION EQUIPMENT-CRR	Asset Financing Reserve	R 500 000	R 500 000	R 500 000
SEWERAGE SERVICES	KWANO CIVIL SERVICES PHASE 4	Asset Financing Reserve	R 256 690	R -	R -
SEWERAGE SERVICES	GREEN VALLEY PHASE 1 (21)	Asset Financing Reserve	R 18 977	R -	R -
SEWERAGE SERVICES	GREEN VALLEY PHASE 2, 3 & 4	Asset Financing Reserve	R 21 101	R 28 627	R 89 875
SEWERAGE SERVICES	NEW HORIZONS (63)	Asset Financing Reserve	R 56 184	R -	R -
SEWERAGE SERVICES	QOLWENI/BOSSIESGIF PH 4A (410)	Asset Financing Reserve	R 170 125	R 209 284	R 217 996
SEWERAGE SERVICES	KWANOKUTHULA PHASE 5 (1000)	Asset Financing Reserve	R 23 104	R 33 821	R 124 638
SEWERAGE SERVICES	SHELL ULTRA CITY (167)	Asset Financing Reserve	R 15 900	R 143 096	R -
SEWERAGE SERVICES	EBENHAEZER PORTIONS 3,20,42,44	Asset Financing Reserve	R 18 484	R 11 090	R 95 319
WATER SERVICES: WASTE WAT	QOLWENI/BOSSIESGIF PH 4B (301)	Asset Financing Reserve	R 36 577	R 9 754	R 56 344
WATER SERVICES: WASTE WAT	HARKERVILLE (80)	Asset Financing Reserve	R 6 757	R 35 703	R 36 178
WATER SERVICES: WASTE WAT	QOLWENI PHASE 5 (141)	Asset Financing Reserve	R -	R 11 423	R 10 280
WATER SERVICES: WASTE WAT	KWANO: UPGRADE OUTFALL SEWER	External Loans	R 500 000	R 500 000	R 500 000
WATER SERVICES: WASTE WAT	GREEN VALLEY: UPGRADE BULK SEW	External Loans	R -	R 877 192	R -
WATER SERVICES: WASTE WAT	GREEN VALLEY: UPGRADE BULK SEW	National Government Transfers	R -	R 877 193	R 877 193
WATER SERVICES: WASTE WAT	EBENHAEZER: NEW BULK SEWER SER	National Government Transfers	R -	R -	R 877 193
WATER SERVICES: WASTE WAT	NATURES VALLEY: NEW SEWERAGE S	Asset Financing Reserve	R 1 000 000	R 1 000 000	R 1 000 000
WATER SERVICES: WASTE WAT	HARKERVILLE: NEW SEWERAGE SYST	Asset Financing Reserve	R 500 000	R 500 000	R 500 000
WATER SERVICES: WASTE WAT	KEURBOOMS: UPGRADE AVENTURA PU	Asset Financing Reserve	R 1 500 000	R -	R -
WATER SERVICES: WASTE WAT	MATJESFONTEIN: UPGRADE PUMP S	Asset Financing Reserve	R -	R 1 000 000	R -
WATER SERVICES: WASTE WAT	DUNES: UPGRADE OUTFALL SEWER	Asset Financing Reserve	R 1 000 000	R 1 000 000	R 2 000 000
WATER SERVICES: WASTE WAT	GOOSEVALLEY: UPGRADE OUTFALL S	Asset Financing Reserve	R -	R 500 000	R 1 000 000
WATER SERVICES: WASTE WAT	POORTJIES: UPGRADE OUTFALL SEW	Asset Financing Reserve	R -	R -	R 200 000
WATER SERVICES: WASTE WAT	KEURBOOMS: UPGRADE OUTFALL SEW	Asset Financing Reserve	R -	R -	R 200 000
WATER SERVICES: WASTE WAT	PIESANG VALLEY: NEW OUTFALL SE	Asset Financing Reserve	R -	R 300 000	R 300 000
WATER SERVICES: WASTE WAT	KEURBOOMS: UPGRADE RISING MAIN	Asset Financing Reserve	R -	R -	R 1 000 000
WATER SERVICES: WASTE WAT	DUNES: UPGRADE RISING MAIN	Asset Financing Reserve	R -	R 900 000	R -
ELECTRICITY SERVICES	TOOLS AND EQUIPMENT	Asset Financing Reserve	R 150 000	R 150 000	R 150 000
ELECTRICITY SERVICES	PLETT: STREET LIGHTS (CDP)	Asset Financing Reserve	R 400 000	R 400 000	R 200 000
ELECTRICITY SERVICES	PLETT: UPGRADE MAIN SUPPLY (EMP)	External Loans	R -	R 3 500 000	R 500 000
ELECTRICITY SERVICES	SECURITY KEY SITES-CRR	Asset Financing Reserve	R 150 000	R 150 000	R 150 000
ELECTRICAL AND MECHANICAL	NEW HORIZONS:ELECTRIFICATION -	National Government Transfers	R 788 600	R 788 600	R -
ELECTRICAL AND MECHANICAL	KWANO:UPGRADE BULK ELECTRIFICA	National Government Transfers	R 6 228 950	R 6 228 950	R 4 385 965
ELECTRICAL AND MECHANICAL	POORTJIES:UPGRADE SS4	External Loans	R 1 250 000	R -	R -
ELECTRICAL AND MECHANICAL	GOOSEVALLEY:UPGRADE MAIN SUPPL	External Loans	R 1 150 000	R -	R 2 500 000
ELECTRICAL AND MECHANICAL	PLETT:UPGRADE MINI SUBS	External Loans	R 1 000 000	R 500 000	R 500 000
ELECTRICAL AND MECHANICAL	BRAKKLOOF:POWER FACTOR CORRECT	External Loans	R -	R -	R 1 100 000
ELECTRICAL AND MECHANICAL	NEW HORIZONS: UPGRADE OF MAIN	Asset Financing Reserve	R 1 330 000	R 300 000	R -

Department Name	Vote Description	NT Capital Funding Description	Budget Amount 2016/17	Budget Amount 2017/18	Budget Amount 2018/19
ELECTRICAL AND MECHANICAL	PLETT: CBD UPGRADE OF MAIN SUP	Asset Financing Reserve	R -	R -	R 700 000
ELECTRICAL AND MECHANICAL	WITTEDRIFT: RING NETWORK	Asset Financing Reserve	R -	R -	R 500 000
ELECTRICAL AND MECHANICAL	BRACKLOOF: NEW SUPPLY TO BRACK	Asset Financing Reserve	R 900 000	R -	R -
ELECTRICAL AND MECHANICAL	NATURES VALLEY: REPLACE EQUIPM	Asset Financing Reserve	R -	R 200 000	R -
ELECTRICAL AND MECHANICAL	PLETT: CBD UPGRADE OF MAIN SUP	Asset Financing Reserve	R -	R 2 000 000	R -
ELECTRICAL AND MECHANICAL	PLETT: NEW GENERATORS: CRR	Asset Financing Reserve	R 1 000 000	R 1 000 000	R 1 000 000
WATER SERVICES	TOOLS AND EQUIPMENT	Asset Financing Reserve	R 300 000	R 150 000	R 150 000
WATER SERVICES	RETICULATION UPGRADES & REPLAC	External Loans	R 900 000	R 700 000	R 700 000
WATER SERVICES	KEURBOOMS WATER SUPPLY AND ABS	National Government Transfers	R -	R -	R -
WATER SERVICES	WATER DEMAND MANAGEMENT(PRESSU	Asset Financing Reserve	R 455 000	R 250 000	R 250 000
WATER SERVICES	KWANO CIVIL SERVICES PHASE 4	Provincial Government Transfer	R 1 040 635	R -	R -
WATER SERVICES	GREEN VALLEY PHASE 1 (21)	Provincial Government Transfer	R 76 757	R -	R -
WATER SERVICES	GREEN VALLEY PHASE 2, 3 & 4	Provincial Government Transfer	R 85 544	R 116 055	R 364 356
WATER SERVICES	NEW HORIZONS (63)	Provincial Government Transfer	R 227 326	R -	R -
WATER SERVICES	QOLWENI/BOSSIESGIF PH 4A (410)	Provincial Government Transfer	R 689 695	R 848 449	R 883 769
WATER SERVICES	KWANOKUTHULA PHASE 5 (1000)	Provincial Government Transfer	R 93 667	R 137 110	R 505 289
WATER SERVICES	SHELL ULTRA CITY (167)	Provincial Government Transfer	R 64 458	R 580 118	R -
WATER SERVICES	EBENHAEZER PORTIONS 3,20,42,44	Provincial Government Transfer	R 74 934	R 44 960	R 386 428
WATER SERVICES	NEW HORIZONS-CRR	Asset Financing Reserve	R 136 500	R -	R -
WATER SERVICES	SUPPLY TO KWANO & SURROUNDS	National Government Transfers	R 2 192 982	R 237 940	R -
WATER SERVICES: WATER DIS	QOLWENI/BOSSIESGIF PH 4B (301)	Provincial Government Transfer	R 148 285	R 39 543	R 228 424
WATER SERVICES: WATER DIS	QOLWENI PHASE 5 (141)	Provincial Government Transfer	R -	R 46 309	R 41 678
WATER SERVICES: WATER DIS	HARKERVILLE (80)	Provincial Government Transfer	R 27 394	R 144 742	R 146 669
WATER SERVICES	KRANSHOEK: NEW WATER SUPPLY (UDP)	National Government Transfers	R 438 596	R 4 952 485	R 5 263 158
WATER SERVICES	NATURES VALLEY: UPGRADE WATER SUPP	Asset Financing Reserve	R 500 000	R 2 000 000	R 3 000 000
WATER SERVICES	PLETT: UPGRADE/INSTALL TELEMETRY (W	Asset Financing Reserve	R 200 000	R 200 000	R 200 000
WATER SERVICES	SECURITY FOR KEY SITES-CRR	Asset Financing Reserve	R 250 000	R 250 000	R 250 000
WATER SERVICES	PUMP STATION EQUIPMENT-EFF	External Loans	R 500 000	R 500 000	R 500 000
WATER SERVICES	KWANO CIVIL SERVICES PHASE 4	Asset Financing Reserve	R 145 689	R -	R -
WATER SERVICES	GREEN VALLEY PHASE 1 (21)	Asset Financing Reserve	R 10 746	R -	R -
WATER SERVICES	GREEN VALLEY PHASE 2, 3 & 4	Asset Financing Reserve	R 11 976	R 16 248	R 51 010
WATER SERVICES	NEW HORIZONS (63)	Asset Financing Reserve	R 31 826	R -	R -
WATER SERVICES	QOLWENI/BOSSIESGIF PH 4A (410)	Asset Financing Reserve	R 96 557	R 118 783	R 123 728
WATER SERVICES	KWANOKUTHULA PHASE 5 (1000)	Asset Financing Reserve	R 13 113	R 19 195	R 70 740
WATER SERVICES	SHELL ULTRA CITY (167)	Asset Financing Reserve	R 9 024	R 81 217	R -
WATER SERVICES	EBENHAEZER PORTIONS 3,20,42,44	Asset Financing Reserve	R 10 491	R 6 294	R 54 100
WATER SERVICES: WATER DIS	QOLWENI/BOSSIESGIF PH 4B (301)	Asset Financing Reserve	R 20 760	R 5 536	R 31 979
WATER SERVICES: WATER DIS	QOLWENI PHASE 5 (141)	Asset Financing Reserve	R -	R 6 483	R 5 835
WATER SERVICES: WATER DIS	HARKERVILLE (80)	Asset Financing Reserve	R 3 835	R 20 264	R 20 534
WATER SERVICES: WATER DIS	POORTJIES: UPGRADE WATER PIPELI	Asset Financing Reserve	R 500 000	R -	R -
WATER SERVICES: WATER DIS	KRANSHOEK: NEW WATER SUPPLY	External Loans	R 500 000	R -	R 500 000
WATER SERVICES: WATER DIS	HARKERVILLE BULK WATER SUPPLY	Asset Financing Reserve	R 500 000	R 1 000 000	R 1 000 000
WATER SERVICES: WASTE WAT	GREEN VALLEY: UPGRADE BULK WAT	National Government Transfers	R -	R 877 193	R 877 192
WATER SERVICES: WATER DIS	NEW WADRIFT DAM-CRR	External Loans	R 1 620 000	R 2 000 000	R 2 000 000
WATER SERVICES: WATER DIS	KURLAND: NEW WATER SUPPLY	External Loans	R 500 000	R 1 000 000	R 1 000 000
WATER SERVICES: WATER DIS	POORTJIES: UPGRADE WATER PIPELI	Asset Financing Reserve	R 500 000	R -	R -
WATER SERVICES: WATER DIS	KURLAND: UPGRADE WATER PIPELINE	Asset Financing Reserve	R -	R 400 000	R -
WATER SERVICES: WATER DIS	DUNES: UPGRADE WATER PIPELINES	Asset Financing Reserve	R 900 000	R 150 000	R 100 000
WATER SERVICES: WATER DIS	WHALE ROCK: NEW FC VALVE	Asset Financing Reserve	R -	R 400 000	R -
WATER SERVICES: WATER DIS	CBD: UPGRADE WATER PIPELINE	Asset Financing Reserve	R -	R 1 050 000	R -
WATER SERVICES: WATER DIS	BRACKLOOF: NEW WATER PIPELINE	Asset Financing Reserve	R -	R -	R 300 000
WATER SERVICES: WATER DIS	PLETT: CBD: NEW BULK WATER SUPPLY	Asset Financing Reserve	R 300 000	R 1 200 000	R -
WATER SERVICES: WATER DIS	WITTEDRIFT: NEW BOOSTER PUMP ST	Asset Financing Reserve	R -	R -	R 1 100 000
WATER SERVICES: WATER DIS	KEURBOOMS: UPGRADE BOOSTER PUMP	Asset Financing Reserve	R -	R -	R 300 000
WATER SERVICES: WATER DIS	NATURES VALLEY: TELEMETRY	Asset Financing Reserve	R -	R 200 000	R -
			R 116 054 300	R 104 188 892	R 99 528 823

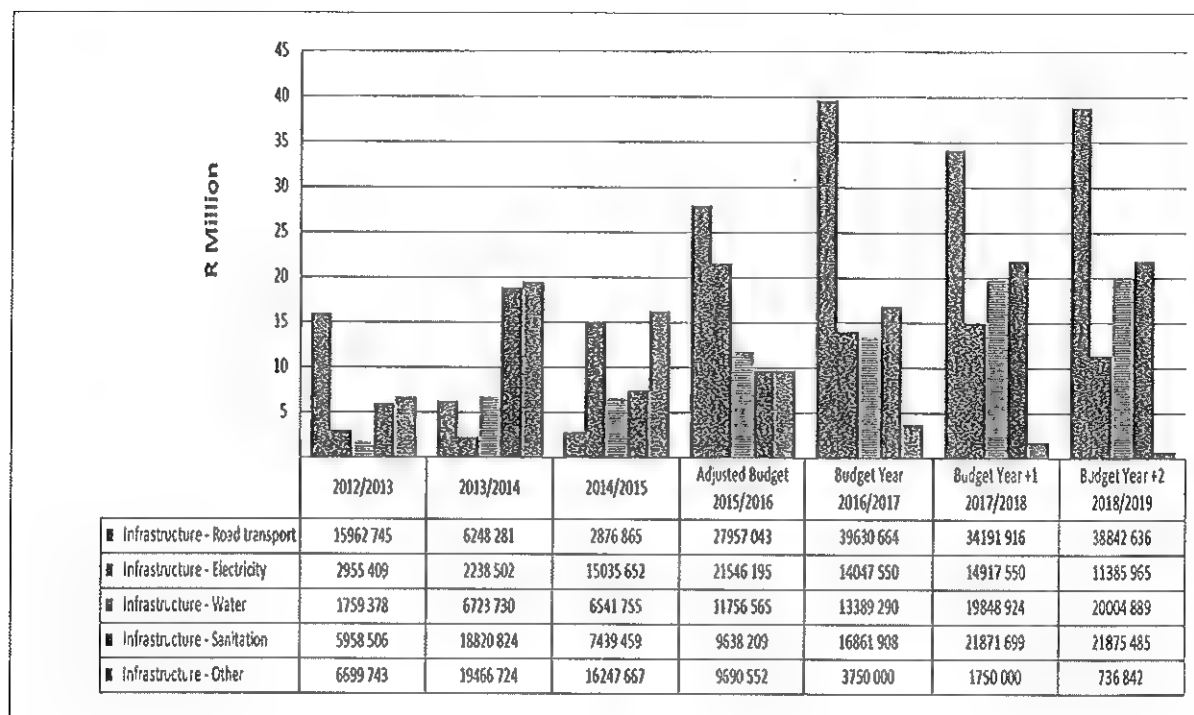
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The following graph provides a breakdown of the capital Budget to be spent on infrastructure related projects over the MTREF.

Figure 3 Capital Infrastructure Program



1.7 Annual Budget Tables – Municipality

The following eighteen pages present the ten main Budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2016/17 Budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

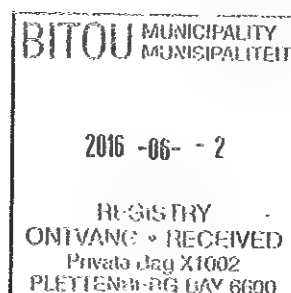
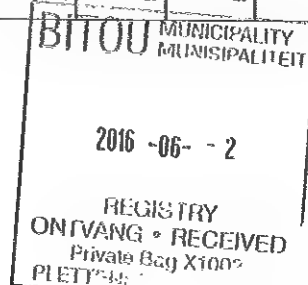


Table 17 MBRR Table A1 - Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands										
Financial Performance										
Property rates	84 155	96 886	102 203	108 855	109 877	109 877	109 877	116 785	123 792	131 219
Service charges	179 793	186 702	201 181	221 400	221 929	221 929	221 929	239 504	257 927	278 320
Investment revenue	2 844	3 365	6 147	4 087	5 402	5 402	5 402	5 828	6 178	6 549
Transfers recognised - operational	82 274	84 124	106 681	101 375	107 418	107 418	107 418	104 230	101 353	112 243
Other own revenue	24 681	54 118	39 240	47 339	52 318	52 318	52 318	47 140	49 346	51 647
Total Revenue (excluding capital transfers and contributions)	373 752	425 195	455 453	483 056	496 943	496 943	496 943	513 486	538 597	579 977
Employee costs	108 939	131 031	134 040	174 076	176 133	176 133	176 133	195 309	216 068	231 748
Remuneration of councillors	4 043	4 710	4 767	5 289	5 289	5 289	5 289	5 597	5 960	6 348
Depreciation & asset impairment	29 396	29 837	22 055	20 326	19 337	19 337	19 337	22 731	25 459	28 514
Finance charges	13 559	13 683	21 177	15 076	15 314	15 314	15 314	15 318	16 872	18 120
Materials and bulk purchases	73 165	79 230	87 817	94 515	94 973	94 973	94 973	94 250	97 169	101 140
Transfers and grants	1 779	1 948	3 043	3 727	4 200	4 200	4 200	3 632	3 738	3 844
Other expenditure	120 434	150 378	162 951	171 491	188 397	188 397	188 397	185 551	173 879	171 423
Total Expenditure	351 315	410 817	435 850	484 500	503 643	503 643	503 643	522 388	538 942	581 136
Surplus/(Deficit)	22 437	14 378	19 603	(1 443)	(6 700)	(6 700)	(6 700)	(8 902)	(346)	18 841
Transfers recognised - capital	22 857	49 960	34 104	45 540	55 611	55 611	55 611	56 960	51 076	54 876
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	45 295	64 338	53 707	44 097	48 911	48 911	48 911	48 058	50 730	73 718
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	45 295	64 338	53 707	44 097	48 911	48 911	48 911	48 058	50 730	73 718
Capital expenditure & funds sources										
Capital expenditure	34 399	69 865	55 497	59 870	102 237	102 237	102 237	116 064	104 189	99 529
Transfers recognised - capital	25 690	43 859	30 722	41 013	48 782	48 782	48 782	49 965	44 803	47 602
Public contributions & donations	142	2 309	673	1 316	1 316	1 316	1 316	-	-	-
Borrowing	8 350	18 374	9 997	21 987	20 367	20 367	20 367	27 498	25 631	23 181
Internally generated funds	216	5 323	14 115	25 554	31 773	31 773	31 773	38 601	33 754	28 746
Total sources of capital funds	34 399	69 865	55 497	59 870	102 237	102 237	102 237	116 064	104 189	99 529
Financial position										
Total current assets	94 226	114 044	158 826	137 088	132 270	132 270	132 270	111 388	104 809	135 829
Total non current assets	710 297	795 015	825 510	858 291	908 392	908 392	908 392	1 001 725	1 080 458	1 151 471
Total current liabilities	95 461	80 198	92 404	102 354	81 137	81 137	81 137	84 844	84 098	86 907
Total non current liabilities	177 589	193 333	202 758	216 762	221 379	221 379	221 379	242 085	264 232	289 742
Community wealth/Equity	531 492	635 528	689 235	676 260	738 146	738 146	738 146	786 204	836 934	910 651
Cash flows										
Net cash from (used) operating	51 203	71 769	107 616	76 256	63 214	63 214	63 214	85 702	90 102	107 704
Net cash from (used) investing	(40 983)	(70 091)	(55 723)	(83 744)	(101 611)	(101 611)	(101 611)	(115 251)	(104 754)	(99 058)
Net cash from (used) financing	3 369	5 291	(2 442)	8 425	10 618	10 618	10 618	7 944	7 892	9 612
Cash/cash equivalents at the year end	42 208	49 177	98 628	62 924	70 849	70 849	70 849	49 245	42 484	60 742
Cash backing/surplus reconciliation										
Cash and investments available	46 786	54 057	98 628	62 924	70 849	70 849	70 849	49 245	42 484	60 742
Application of cash and investments	20 290	7 027	29 930	14 953	22 754	22 754	31 754	26 971	29 227	35 556
Balance - surplus (shortfall)	26 496	47 031	68 728	47 971	48 094	48 094	39 094	22 274	13 257	25 187
Asset management										
Asset register summary (WDV)	705 584	790 077	825 491	858 291	908 392	908 392	1 001 725	1 001 725	1 080 458	1 151 471
Depreciation & asset impairment	29 396	29 837	22 055	20 326	19 337	19 337	22 731	22 731	25 459	28 514
Renewal of Existing Assets	12 516	30 420	11 355	11 413	16 296	16 296	16 296	17 263	13 917	13 878
Repairs and Maintenance	9 413	10 540	12 809	19 361	19 340	19 340	28 469	28 469	29 205	30 054
Free services										
Cost of Free Basic Services provided	-	5 063	42 225	45 846	44 065	44 065	49 394	49 394	52 628	55 672
Revenue cost of free services provided	4 546	7 587	10 943	11 778	11 778	11 778	8 810	8 810	8 160	7 286
Households below minimum service level										
Water	0	0	0	0	0	0	0	0	0	-
Sanitation/sewage	0	0	0	0	0	0	0	0	0	-
Energy	-	-	-	-	-	-	-	-	-	-
Refuse	-	-	16	19	19	20	20	20	20	-



Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a Budget summary and provides a concise overview of Bitou Municipality's Final Draft Budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasize the importance of the municipal Budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which:
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget;
 - iii. Internally generated funds are financed from the anticipated operating surplus to be realized at 30 June 2016. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are gradually becoming available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations were not cash-backed. This has then placed the municipality in a very vulnerable financial position, with the improve revenue collection this situation has started to improve as our CRR is now backed by cash. Consequently Council needs to ensure adequate cash-backing for all material obligations in accordance with the Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back may exceed the MTREF as service delivery requirements also need to receive the appropriate attention. The revised long term financial plan tabled with this Budget in May 2016 will assist in this regard and council need to adopt this policy.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase.

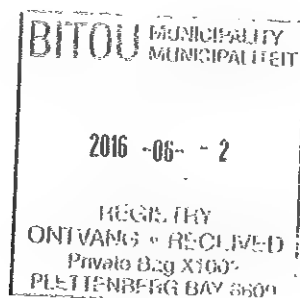
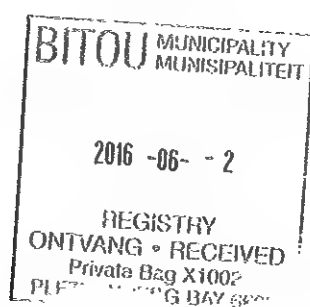


Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard										
<i>Governance and administration</i>		126 324	143 335	144 468	151 853	154 853	154 853	165 120	176 529	169 220
Executive and council		32 168	2 535	10 781	7 692	9 063	9 063	10 279	8 884	9 386
Budget and treasury office		93 489	101 882	110 493	116 749	117 875	117 875	124 569	132 680	140 951
Corporate services		668	38 919	23 194	27 411	27 915	27 915	30 272	34 964	38 883
<i>Community and public safety</i>		61 895	104 230	92 240	88 910	100 749	100 749	93 739	78 994	88 393
Community and social services		4 236	6 226	7 240	9 731	11 541	11 541	10 097	10 665	11 279
Sport and recreation		864	2 891	1 012	360	684	684	650	682	717
Public safety		6 103	29 839	23 176	33 627	33 756	33 756	29 285	30 465	31 704
Housing		50 691	65 274	60 812	45 192	54 768	54 768	53 707	37 182	44 693
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		6 774	3 654	2 706	2 911	2 993	2 993	5 087	2 489	2 639
Planning and development		6 242	2 514	2 606	2 145	2 227	2 227	2 333	2 489	2 639
Road transport		532	1 140	100	766	766	766	2 754	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		201 401	223 701	248 852	284 397	291 374	291 374	304 689	329 740	352 567
Electricity		97 776	100 302	117 816	137 100	138 690	138 690	150 030	162 038	171 558
Water		50 328	50 674	64 804	69 964	73 412	73 412	74 366	79 709	84 808
Waste water management		35 131	47 620	40 984	46 686	49 037	49 037	46 544	50 119	53 997
Waste management		18 166	25 105	26 247	30 647	30 234	30 234	33 749	37 875	42 205
Other	4	216	235	291	526	2 586	2 586	1 811	1 919	2 035
Total Revenue - Standard	2	398 610	475 153	489 356	528 396	552 554	552 354	570 446	599 673	634 933
Expenditure - Standard										
<i>Governance and administration</i>		95 737	111 046	105 686	124 567	127 355	127 355	142 235	150 016	158 917
Executive and council		32 377	32 057	27 374	32 670	36 481	36 481	36 529	38 191	40 419
Budget and treasury office		27 106	11 591	25 370	33 117	33 809	33 809	41 771	42 676	45 253
Corporate services		36 254	67 398	52 942	58 780	57 066	57 066	63 936	69 148	73 244
<i>Community and public safety</i>		87 020	114 980	121 855	124 510	135 862	135 862	119 058	115 015	122 653
Community and social services		9 880	11 721	11 568	15 150	15 918	15 918	17 588	17 339	18 297
Sport and recreation		14 383	15 573	15 409	19 703	20 131	20 131	19 593	22 935	24 527
Public safety		16 965	37 722	35 431	52 777	55 158	55 158	50 666	53 315	56 151
Housing		45 792	49 963	59 422	36 875	44 650	44 650	31 221	21 426	23 678
Health		-	-	25	5	5	5	-	-	-
<i>Economic and environmental services</i>		26 217	31 228	33 882	40 463	41 968	41 968	53 209	55 450	60 673
Planning and development		9 066	11 568	15 063	18 161	18 954	18 954	23 837	26 298	29 217
Road transport		17 151	19 660	18 819	22 302	23 014	23 014	29 372	29 161	31 456
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		138 719	149 643	170 427	186 813	188 582	188 582	199 367	209 223	209 199
Electricity		85 406	94 087	103 724	120 180	121 132	121 132	126 585	130 801	129 018
Water		20 661	25 015	24 694	28 722	28 338	28 338	30 601	33 118	33 452
Waste water management		14 322	10 643	15 226	15 095	15 162	15 162	18 069	20 055	19 645
Waste management		18 330	19 898	26 784	22 816	23 950	23 950	24 112	25 250	27 084
Other	4	3 622	3 920	3 999	8 146	9 875	9 875	8 508	9 229	9 693
Total Expenditure - Standard	3	351 315	410 817	435 950	484 500	503 643	503 643	522 388	538 942	561 136
Surplus/(Deficit) for the year		45 295	64 338	53 707	44 097	48 911	48 911	48 058	50 730	73 718



Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the Final Draft Budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water as well as waste management function. Administrative functions have been charged to the respective service delivery departments and surpluses are absorbed by the allocation of administrative and other overhead cost associated with governance.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

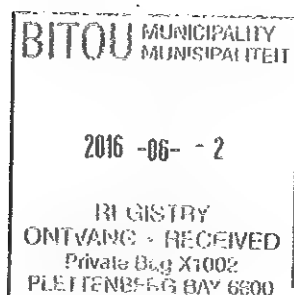


Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote	1									
Council		-	-	2 400	2 507	2 507	2 507	2 499	2 620	2 747
Office of the Municipal Manager		35 706	42 090	26 044	25 933	26 160	26 160	30 794	33 457	37 194
Community Services		80 061	129 335	118 487	119 557	130 984	130 984	127 488	116 870	130 598
Corporate Services		9	801	170	352	351	351	435	555	675
Financial Services		90 036	99 864	115 089	120 929	123 581	123 581	130 721	139 198	147 863
Strategic Services		7 031	3 329	3 662	4 802	7 064	7 064	4 814	5 107	5 414
Engineering Services		183 766	199 736	223 704	254 516	261 908	261 908	273 695	291 865	310 362
Total Revenue by Vote	2	396 610	475 135	449 556	526 596	552 354	552 554	570 246	589 673	634 653
Expenditure by Vote to be appropriated	1									
Council		4 843	7 869	5 531	6 182	6 262	6 262	6 352	6 693	7 088
Office of the Municipal Manager		28 913	31 439	26 011	20 611	22 644	22 644	20 790	22 228	23 494
Community Services		105 350	134 922	150 338	149 122	161 638	161 638	145 475	142 400	152 013
Corporate Services		13 444	15 287	20 220	30 029	28 237	28 237	31 513	34 001	36 044
Financial Services		31 957	40 058	40 829	54 050	54 383	54 383	65 083	67 646	71 773
Strategic Services		26 900	27 771	19 219	26 849	27 109	27 109	30 343	33 310	36 412
Engineering Services		139 908	153 470	173 702	197 656	203 370	203 370	222 832	232 664	234 311
Total Expenditure by Vote	2	351 315	410 817	435 850	484 500	503 643	503 643	522 388	538 942	561 136
Surplus/(Deficit) for the year	2	45 295	64 318	53 707	44 097	48 911	48 911	48 058	50 730	73 718

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the Final Draft Budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the Final Draft Budgeted operating performance in relation to the organizational structure of Bitou Municipality. This means it is possible to present the operating surplus or deficit of a vote.



Table 20 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Med Jm Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	84 155	95 886	102 203	108 554	108 971	108 971	108 971	115 510	122 440	129 787
Property rates - penalties & collection charges		-	-	-	302	905	905	905	1 275	1 352	1 433
Service charges - electricity revenue	2	94 001	99 100	104 110	119 903	119 903	119 903	119 903	129 334	139 487	150 452
Service charges - water revenue	2	35 411	35 555	41 194	42 959	42 981	42 981	42 981	45 752	48 597	51 724
Service charges - sanitation revenue	2	32 222	32 885	33 155	35 366	36 135	36 135	36 135	38 805	41 395	44 427
Service charges - refuse revenue	2	18 165	19 162	21 962	23 172	22 911	22 911	22 911	25 612	28 449	31 706
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 207	1 347	1 508	1 396	1 522	1 522	1 522	1 440	1 515	1 605
Interest earned - external investments		2 844	3 365	6 147	4 087	5 402	5 402	5 402	5 828	6 178	6 549
Interest earned - outstanding debtors		3 538	3 641	3 912	3 132	2 549	2 549	2 549	3 163	3 374	3 699
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		4 864	28 612	21 858	32 426	32 441	32 441	32 441	22 016	23 116	24 239
Licences and permits		65	54	49	48	65	65	65	6 052	6 068	6 064
Agency services		1 140	1 147	1 310	1 150	1 285	1 285	1 285	1 219	1 293	1 370
Transfers recognised - operational		82 274	84 124	106 681	101 375	107 418	107 418	107 418	104 230	101 353	112 243
Other revenue	2	13 866	19 316	10 604	9 187	14 246	14 246	14 246	13 026	13 755	14 518
Gains on disposal of PPE		-	-	-	-	210	210	210	223	236	250
Total Revenue (excluding capital transfers and contributions)		373 752	425 195	455 453	483 056	496 943	496 943	496 943	513 466	538 597	579 917
Expenditure By Type											
Employee related costs	2	108 939	131 031	134 040	174 076	176 133	176 133	176 133	195 309	216 066	231 748
Remuneration of councillors		4 043	4 710	4 767	5 289	5 289	5 289	5 289	5 597	5 960	6 348
Debt impairment	3	11 650	28 167	24 404	37 192	37 192	37 192	37 192	31 999	34 022	24 436
Depreciation & asset impairment	2	29 396	29 837	22 055	20 326	19 337	19 337	19 337	22 731	25 459	28 514
Finance charges		13 559	13 683	21 177	15 076	15 314	15 314	15 314	15 318	16 672	18 120
Bulk purchases	2	70 626	76 400	84 459	91 012	91 012	91 012	91 012	89 994	92 720	96 537
Other materials	8	2 539	2 830	3 358	3 503	3 961	3 961	3 961	4 257	4 448	4 603
Contracted services		18 876	14 224	21 913	23 002	23 604	23 604	23 604	22 789	20 113	20 168
Transfers and grants		1 779	1 918	3 043	3 727	4 200	4 200	4 200	3 632	3 738	3 844
Other expenditure	4, 5	89 908	107 887	116 634	111 214	127 519	127 519	127 519	130 783	119 745	126 819
Loss on disposal of PPE		-	-	-	83	83	83	83	-	-	-
Total Expenditure		351 315	410 617	435 850	484 500	503 643	503 643	503 643	522 388	538 942	561 156
Surplus/(Deficit)											
Transfers recognised - capital	6	22 437	14 378	19 603	(1 443)	(6 700)	(6 700)	(6 700)	(8 902)	(346)	18 841
Contributions recognised - capital		22 857	49 960	34 104	45 540	55 611	55 611	55 611	56 960	51 076	54 876
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		45 295	64 338	53 707	44 097	48 911	48 911	48 911	48 058	50 730	73 718
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		45 295	64 338	53 707	44 097	48 911	48 911	48 911	48 058	50 730	73 718
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		45 295	64 338	53 707	44 097	48 911	48 911	48 911	48 058	50 730	73 718
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		45 295	64 338	53 707	44 097	48 911	48 911	48 911	48 058	50 730	73 718

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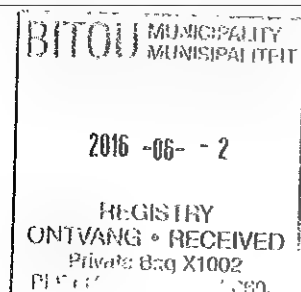
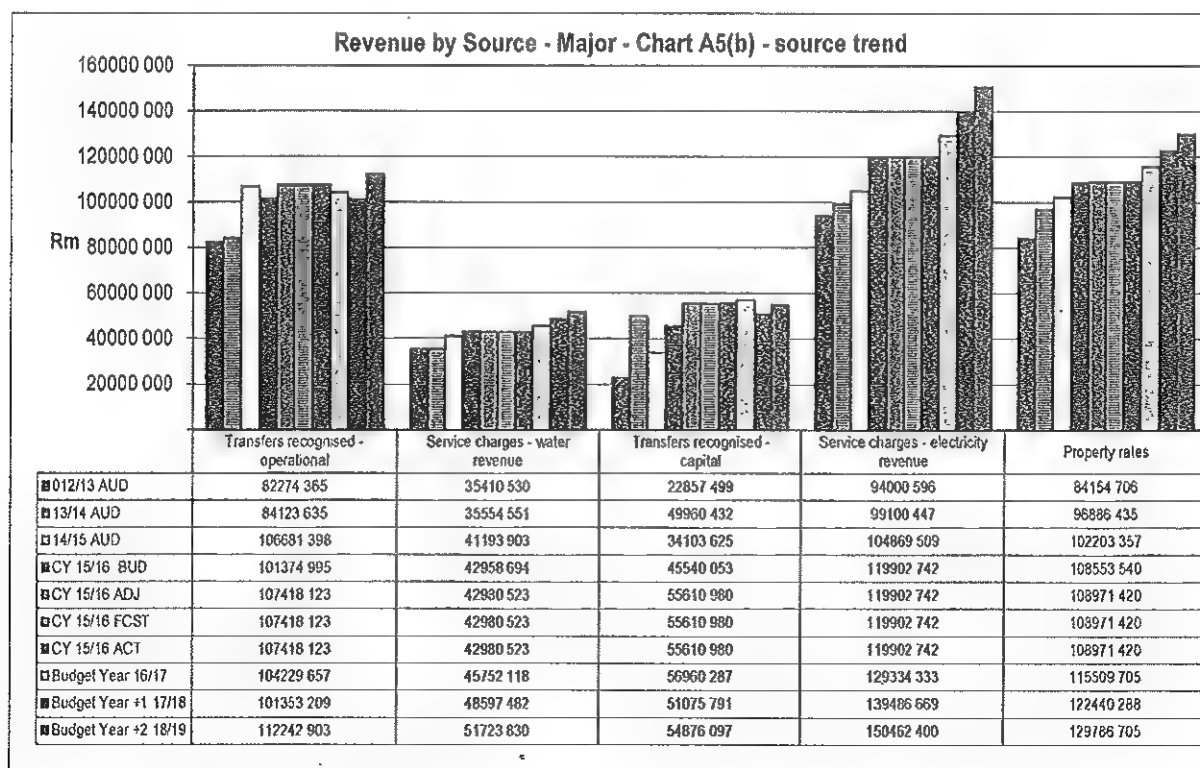
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Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R 513, 4 million in the Final Draft 2016/17 and increases to R 538, 5 million by 2017/18. This represents a year-on-year increase of 3.3% for the 2016/17 financial year and an increase of 4.9% for the 2017/18 financial year.
2. Revenue to be generated from property rates excluding penalties and collection charges is R116, 7 million in the 2016/17 financial year and increases to R 123, 7 million by 2017/18 which represents 22.7% of the operating revenue base of Bitou Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 6% for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of Bitou Municipality totaling R 239, 5 million for the 2016/17 financial year and increasing to R 257, 9 million by 2017/18. For the 2016/17 financial year services charges amount to 46.6% of the total revenue base.
4. Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government. In total this amounts to R 104, 2 million with equitable share being the largest portion. The equitable share increases by 12.1% for the 2016/2017 financial year and by 16.0% and 11.3% for the 2017/2018 and 2018/2019 year respectively.

5. The following graph illustrates the major revenue items per type over the 7 year Budget cycle.



6. The following graph illustrates the major expenditure items per type over the 7 year Budget cycle.

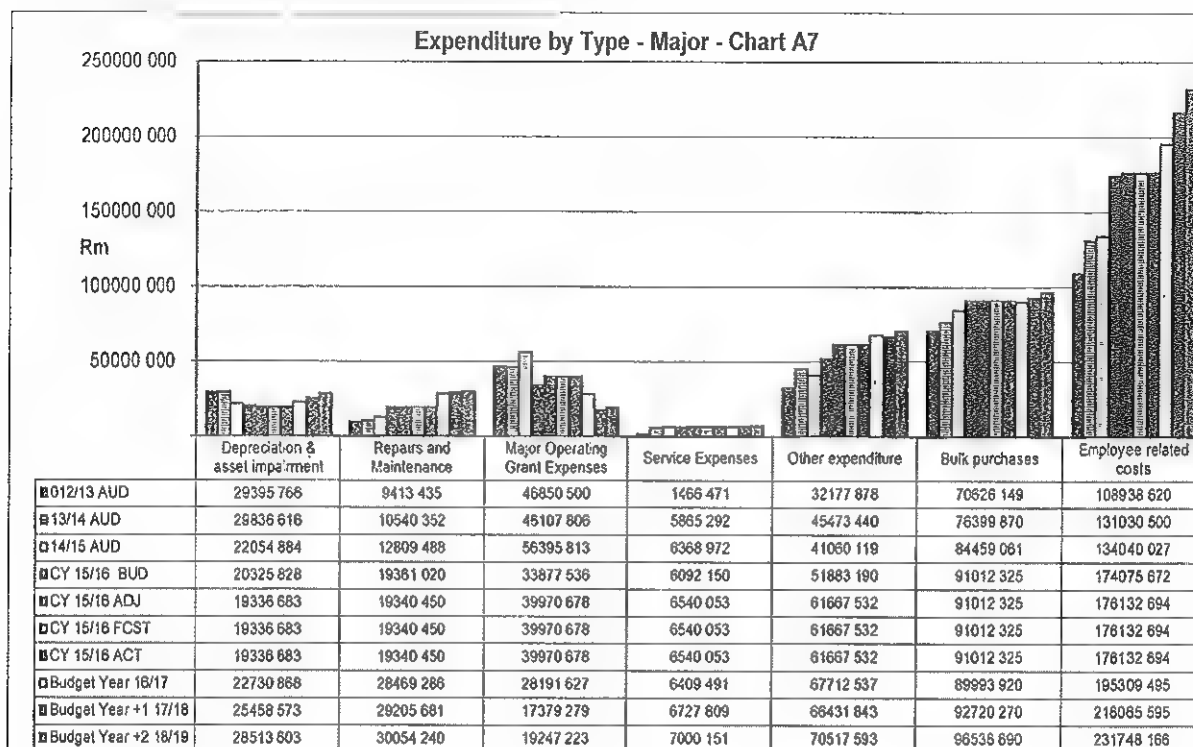
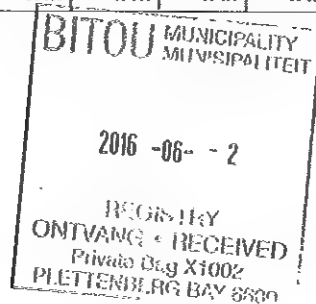


Figure 4 Expenditure by major type

7. Bulk purchases have slightly decrease over the 2015/2016 to 2016/2017 period dropping from R 91, 0 Million to R 89, 9 million. These decreases can be attributed to the substantial decrease in the cost of bulk electricity from Eskom.
8. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 21 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	II	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Council		-	-	-	-	-	-	-	-	-	-
Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Community Services		351	1 745	5 549	13 199	11 545	11 545	11 545	8 370	2 270	200
Corporate Services		-	-	-	-	-	-	-	-	-	-
Financial Services		-	-	-	1 000	1 020	1 020	1 020	-	-	-
Strategic Services		-	-	-	-	-	-	-	-	-	-
Engineering Services		3 106	28 910	100	-	-	-	-	28 283	43 942	47 700
Capital multi-year expenditure sub-total	7	3 457	30 654	5 649	14 199	12 565	12 565	12 565	36 653	46 212	47 900
Single-year expenditure to be appropriated	2										
Council		11	320	-	-	-	-	-	-	-	-
Office of the Municipal Manager		-	44	287	310	139	139	139	102	-	-
Community Services		334	26 858	9 534	26 299	31 272	31 272	31 272	8 710	5 372	4 703
Corporate Services		30	248	286	386	389	389	389	402	-	-
Financial Services		59	1 508	1 459	2 848	5 672	5 672	5 672	1 375	1 850	1 100
Strategic Services		218	369	-	3 080	3 670	3 670	3 670	4 005	-	-
Engineering Services		30 290	9 863	38 274	42 747	48 530	48 530	48 530	64 807	60 755	45 826
Capital single-year expenditure sub-total		30 942	39 210	40 049	75 671	69 673	69 673	69 673	79 401	37 977	51 629
Total Capital Expenditure - Vote		34 399	69 865	55 497	89 870	102 237	102 237	102 237	116 054	104 189	99 529
Capital Expenditure - Standard											
Governance and administration		306	2 276	2 041	5 850	9 413	9 413	9 413	1 879	1 850	1 100
Executive and council		63	401	303	310	3 446	3 446	3 446	100	-	-
Budget and treasury office		-	597	-	1 450	1 141	1 141	1 141	215	-	-
Corporate services		242	1 278	1 738	4 100	4 827	4 827	4 827	1 564	1 850	1 100
Community and public safety		685	24 895	4 554	13 424	4 796	4 796	4 796	14 688	5 789	2 483
Community and social services		400	1 234	451	1 906	2 441	2 441	2 441	2 344	770	-
Sport and recreation		284	2 729	2 288	439	439	439	439	3 667	1 384	1 354
Public safety		-	1 151	1 815	2 700	894	894	894	5 620	1 375	540
Housing		-	19 781	-	8 379	1 023	1 023	1 023	3 054	2 260	589
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		16 002	7 233	10 323	17 323	30 889	30 889	30 889	48 061	37 882	40 843
Planning and development		12	213	-	264	176	176	176	5	-	-
Road transport		15 990	7 019	10 323	17 059	30 713	30 713	30 713	48 056	37 882	40 843
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		17 406	35 481	38 579	51 763	55 838	55 838	55 838	47 439	58 688	55 303
Electricity		2 411	5 372	15 721	20 202	21 548	21 548	21 548	14 348	15 218	11 686
Water		5 713	7 512	6 615	10 968	11 110	11 110	11 110	14 076	20 249	20 405
Waste water management		9 282	18 869	7 735	9 747	12 336	12 336	12 336	17 265	22 452	22 475
Waste management		-	3 708	8 508	10 845	10 845	10 845	10 845	1 750	750	737
Other		-	-	-	1 500	1 300	1 300	1 300	4 000	-	-
Total Capital Expenditure - Standard	3	34 399	69 865	55 497	89 870	102 237	102 237	102 237	116 054	104 189	99 529
Funded by:											
National Government		13 844	14 004	23 729	26 065	28 128	28 128	28 128	23 906	25 057	22 737
Provincial Government		11 846	29 854	6 698	13 892	18 391	18 391	18 391	26 059	19 746	24 865
Distric Municipality		-	-	295	1 066	2 263	2 263	2 263	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	25 690	43 859	30 722	41 013	48 782	48 782	48 782	49 985	44 803	47 602
Public contributions & donations	5	142	2 309	673	1 316	1 316	1 316	1 316	-	-	-
Borrowing	6	8 350	18 374	9 987	21 987	20 367	20 367	20 367	27 498	25 631	23 181
Internally generated funds		216	5 323	14 115	25 554	31 773	31 773	31 773	38 601	33 754	28 746
Total Capital Funding	7	34 399	69 865	55 497	89 870	102 237	102 237	102 237	116 054	104 189	99 529



Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital Budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital Budget appropriations. In relation to multi-year appropriations. Multi-year projects are those projects that will not be commissioned at the end of the financial year but will stretch over more than one financial year.
3. Single-year capital expenditure has been appropriated at R 79, 4 million for the 2016/17 financial year and relatively decreases in the 2017/18 financial year at levels of R 57, 9 million and further decrease to R 51, 6 million in the 2018/19 financial year.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific Budget year such as the procurement of vehicles and specialized tools and equipment. The Budget appropriations for the two outer years are indicative allocations based on the departmental business plans and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of Bitou Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital program is funded from provincial grants and transfers, borrowing and internally generated funds from current year anticipated surpluses. For the 2016/17, capital transfers totals R 49, 9 million and decreases to R 44, 8 million by 2017/18. Borrowing has been provided at R 27, 4 million for 2016/17 while internally generated funding totals R 37, 6 million in the 2016/17 financial year.

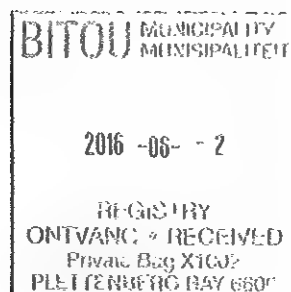


Table 22 MBRR Table A6 - Budgeted Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
Current assets											
Cash		31 687	23 412	16 585	35 524	14 383	14 383	14 383	12 815	944	2 070
Call investment deposits	1	10 522	25 765	82 043	27 400	56 466	56 466	56 466	36 430	41 540	58 672
Consumer debtors	1	45 213	43 395	40 747	41 151	42 095	42 095	42 095	43 219	44 425	72 343
Other debtors		3 851	18 604	15 018	30 221	15 854	15 854	15 854	15 470	14 446	(709)
Current portion of long-term receivables		76	77	40	-	19	19	19	-	-	-
Inventory	2	2 877	2 791	3 454	2 791	3 454	3 454	3 454	3 454	3 454	3 454
Total current assets		94 226	114 044	158 886	137 086	132 270	132 270	132 270	111 388	104 809	135 829
Non current assets											
Long-term receivables		135	58	19	-	-	-	-	-	-	-
Investments		4 578	4 880	-	-	-	-	-	-	-	-
Investment property		68 755	72 452	72 425	88 417	72 257	72 257	72 257	72 231	72 062	71 694
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	612 704	717 293	752 550	768 933	835 429	835 429	835 429	928 856	1 007 784	1 078 997
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		4 108	296	481	925	670	670	670	603	574	544
Other non-current assets		17	35	35	17	35	35	35	35	35	35
Total non current assets		710 297	795 015	825 510	858 291	908 392	908 392	908 392	1 001 728	1 080 436	1 151 471
TOTAL ASSETS		804 523	909 059	984 396	995 377	1 040 662	1 040 662	1 040 662	1 113 113	1 185 245	1 287 300
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	11 169	12 212	10 255	14 594	17 128	17 128	17 128	17 815	18 806	21 620
Consumer deposits		5 225	5 534	5 607	6 207	5 680	5 680	5 680	5 755	5 830	5 907
Trade and other payables	4	55 114	43 387	55 512	59 774	41 714	41 714	41 714	43 889	41 229	42 010
Provisions		23 953	19 065	21 030	21 779	16 614	16 614	16 614	17 388	18 233	17 170
Total current liabilities		95 461	80 198	92 404	102 354	81 137	81 137	81 137	84 844	84 098	86 907
Non current liabilities											
Borrowing		116 607	120 545	119 988	124 030	123 659	123 659	123 659	130 842	137 668	144 189
Provisions		60 963	72 788	82 770	92 733	97 720	97 720	97 720	111 223	128 565	145 553
Total non current liabilities		177 569	193 333	202 758	216 762	221 379	221 379	221 379	242 065	266 233	289 742
TOTAL LIABILITIES		273 031	273 532	295 162	319 117	302 516	302 516	302 516	326 909	350 331	376 649
NET ASSETS	5	531 492	635 528	689 235	676 260	738 146	738 145	738 145	786 204	835 934	910 651
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		526 492	628 028	664 235	648 860	708 246	708 246	696 746	756 504	802 934	868 551
Reserves	4	5 000	7 500	25 000	27 400	29 900	29 900	41 400	29 700	34 000	42 100
		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	531 492	635 528	689 235	676 260	738 146	738 145	738 145	786 204	835 934	910 651

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the Budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in

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order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table A6 is supported by an extensive table of notes (Table SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the Budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These Budget and planning assumptions form a critical link in determining the applicability and relevance of the Budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

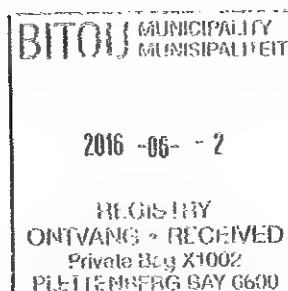


Table 23 MBRR Table A7 - Budgeted Cash Flow Statement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		76 169	90 809	96 221	103 413	103 445	103 445	103 445	109 949	116 545	123 539
Service charges		162 736	174 990	189 405	257 537	208 940	208 940	208 940	225 485	242 831	262 030
Other revenue		21 578	15 253	37 056	21 139	27 877	27 877	27 877	29 015	30 261	31 569
Government - operating	1	70 291	86 613	127 197	101 375	91 913	91 913	91 913	104 230	101 353	112 243
Government - capital	1	29 236	35 712	34 777	45 540	55 756	55 756	55 756	56 960	51 076	54 876
Interest		6 383	7 006	10 059	7 062	7 801	7 801	7 801	8 807	9 354	9 937
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(299 547)	(317 358)	(362 880)	(440 607)	(413 004)	(413 004)	(413 004)	(429 795)	(440 909)	(464 527)
Finance charges		(13 864)	(19 309)	(21 177)	(15 076)	(15 314)	(15 314)	(15 314)	(15 318)	(16 672)	(18 120)
Transfers and Grants	1	(1 779)	(1 948)	(3 043)	(4 127)	(4 200)	(4 200)	(4 200)	(3 632)	(3 738)	(3 844)
NET CASH FROM/(USED) OPERATING ACTIVITIES											
		51 203	71 769	107 616	76 256	63 214	63 214	63 214	65 702	59 102	70 704
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	210	210	210	223	236	250
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		78	76	77	-	19	19	19	-	-	-
Decrease (increase) in non-current investments		(302)	(302)	(302)	5 182	-	-	-	-	-	-
Payments											
Capital assets		(40 758)	(69 865)	(55 497)	(88 926)	(101 839)	(101 839)	(101 839)	(115 473)	(104 991)	(99 308)
NET CASH FROM/(USED) INVESTING ACTIVITIES											
		(40 983)	(70 091)	(55 723)	(83 744)	(101 611)	(101 611)	(101 611)	(115 251)	(104 754)	(99 058)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		13 795	16 720	10 000	21 987	25 160	25 160	25 160	24 998	25 631	28 341
Increase (decrease) in consumer deposits		748	309	73	346	74	74	74	75	76	77
Payments											
Repayment of borrowing		(11 175)	(11 738)	(12 515)	(13 908)	(14 615)	(14 615)	(14 615)	(17 128)	(17 815)	(18 806)
NET CASH FROM/(USED) FINANCING ACTIVITIES											
		5 369	5 291	(2 442)	8 425	10 618	10 618	10 618	7 944	7 392	9 612
NET INCREASE/ (DECREASE) IN CASH HELD											
		13 589	6 959	49 451	938	(27 779)	(27 779)	(27 779)	(21 604)	(6 761)	18 258
Cash/cash equivalents at the year begin:	2	28 620	42 208	49 177	61 986	98 628	98 628	98 628	70 849	49 245	42 484
Cash/cash equivalents at the year end:	2	42 208	49 177	98 628	62 924	70 849	70 849	70 849	49 245	42 484	60 742

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The Budgeted cash flow statement is the first measurement in determining if the Budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the Budget.
3. The cash levels of Bitou Municipality have substantially improved from 2013/14 to 2014/15 but decreases in 2015/16 to 2017/18 with anticipated increase in cash and cash equivalents for the 2018/19 financial period.
4. A cash surplus is expected over the MTREF indicating that the Budget is cash backed in respect of cash in and out flows.

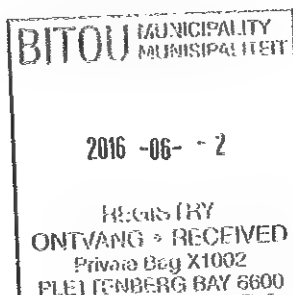


Table 24 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash and investments available											
Cash/cash equivalents at the year end	1	42 208	49 177	98 628	62 924	70 849	70 849	70 849	49 245	42 484	60 742
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Non current assets - investments	1	4 578	4 880	-	-	-	-	-	-	-	-
Cash and investments available:		46 786	54 057	98 628	62 924	70 849	70 849	70 849	49 245	42 484	60 742
Application of cash and investments											
Unspent conditional transfers		24 964	518	15 169	-	-	-	-	300	300	300
Unspent borrowing		-	2 907	2 867	-	2 500	2 500	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(14 251)	(8 778)	(13 135)	(12 447)	(9 646)	(9 646)	(9 646)	(9 459)	(12 313)	(23 117)
Other provisions		-	-	-	-	-	-	-	6 430	7 240	16 272
Long term investments committed	4	4 578	4 880	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	5 000	7 500	25 000	27 400	29 900	29 900	41 400	29 700	34 000	42 100
Total Application of cash and investments:		20 290	7 627	26 900	14 933	22 754	22 754	31 734	26 971	26 227	35 536
Surplus(shortfall)		26 496	47 031	68 728	47 991	48 094	48 094	39 094	22 274	13 257	25 187

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the Budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's Budget must be "funded".
4. There is compliance with section 18 of the MFMA because the Budget is funded and there is no shortfall.
5. From the table it can be seen that for the financial period 2014/15 a surplus is reflected, it has however decreased over the MTREF due to investment in infrastructure.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that from the 2016/17 MTREF the Budget is funded.

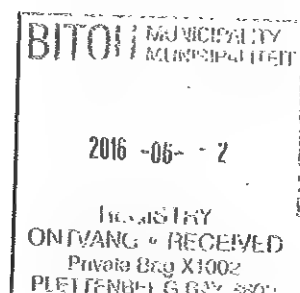


Table 25 MBRR Table A9 - Asset Management

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	21 883	39 445	44 142	78 457	85 941	85 941	98 801	90 272	85 651
Infrastructure - Road transport		5 506	4 288	2 498	8 149	22 559	22 559	31 669	24 143	27 969
Infrastructure - Electricity		2 736	151	11 663	18 202	18 127	18 127	14 048	14 918	11 386
Infrastructure - Water		1 759	5 863	6 118	11 215	11 357	11 357	12 489	19 149	19 305
Infrastructure - Sanitation		4 261	373	1 008	8 261	9 638	9 638	16 862	21 872	21 875
Infrastructure - Other		6 700	19 467	16 248	9 576	9 576	9 576	2 750	1 750	737
Infrastructure		20 962	30 142	40 736	55 404	71 257	71 257	78 018	81 837	81 272
Community		557	928	189	1 831	2 632	2 632	2 499	1 600	900
Other assets	6	364	8 375	2 933	21 098	11 838	11 838	18 189	6 840	3 479
Intangibles		-	-	285	124	215	215	95	-	-
Total Renewal of Existing Assets	2	12 516	30 420	11 355	11 413	16 296	16 296	17 263	13 917	13 878
Infrastructure - Road transport		10 457	1 960	378	5 486	5 398	5 398	7 762	10 049	10 874
Infrastructure - Electricity		219	2 087	3 372	2 000	3 419	3 419	-	-	-
Infrastructure - Water		-	861	423	400	400	400	900	700	700
Infrastructure - Sanitation		1 698	18 447	3 232	-	-	-	-	-	-
Infrastructure - Other		-	-	-	114	114	114	1 000	-	-
Infrastructure		12 374	23 356	7 406	8 000	9 332	9 332	9 662	10 749	11 574
Community		-	2 360	2 285	439	439	439	2 642	-	-
Other assets	6	142	4 704	1 664	2 974	6 526	6 526	4 959	3 169	2 304
Total Capital Expenditure	4									
Infrastructure - Road transport		15 963	6 248	2 877	13 635	27 957	27 957	39 631	34 192	38 843
Infrastructure - Electricity		2 955	2 239	15 036	20 202	21 546	21 546	14 048	14 918	11 386
Infrastructure - Water		1 759	6 724	6 542	11 615	11 757	11 757	13 389	19 849	20 035
Infrastructure - Sanitation		5 959	18 821	7 439	8 261	9 638	9 638	16 862	21 872	21 875
Infrastructure - Other		6 700	19 467	16 248	9 691	9 691	9 691	3 750	1 750	737
Infrastructure		33 336	53 498	48 741	63 404	80 589	80 589	87 679	92 560	92 845
Community		557	3 288	2 474	2 270	3 070	3 070	5 141	1 600	900
Other assets		506	13 079	4 597	24 072	18 364	18 364	23 148	10 009	5 783
Intangibles		-	-	285	124	215	215	95	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	34 399	69 865	55 497	89 870	102 237	102 237	116 064	104 189	99 529
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	100 787	109 365	104 243	109 478	127 958	127 958	163 171	191 137	222 637
Infrastructure - Electricity		57 688	59 340	71 951	90 183	90 878	90 878	102 448	113 929	121 616
Infrastructure - Water		135 250	137 089	137 927	147 592	145 059	145 059	153 523	187 746	181 496
Infrastructure - Sanitation		61 984	78 533	80 372	87 746	87 188	87 188	101 344	119 328	136 679
Infrastructure - Other		487	27 283	49 803	47 973	58 087	58 087	60 283	60 435	59 620
Infrastructure		358 796	411 611	444 297	482 973	509 170	509 170	589 768	682 578	721 849
Community		30 935	31 369	32 459	35 037	34 382	34 382	37 979	38 220	37 707
Heritage assets		17	35	35	17	35	35	35	35	35
Investment properties		88 755	72 452	72 425	88 417	72 257	72 257	72 231	72 062	71 894
Other assets		225 572	274 313	275 794	250 873	291 877	291 877	310 109	316 989	319 442
Intangibles		4 108	296	481	925	670	670	603	574	544
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	765 584	790 077	825 491	855 291	908 392	908 392	1 061 725	1 080 456	1 161 471
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		29 396	29 837	22 055	20 326	19 337	19 337	22 731	25 459	28 514
Repairs and Maintenance by Asset Class	3	9 413	10 540	12 809	19 361	19 340	19 340	28 469	29 206	30 054
Infrastructure - Road transport		1 173	1 715	2 006	3 667	4 651	4 651	8 183	8 321	8 505
Infrastructure - Electricity		1 540	1 969	1 796	2 445	2 509	2 509	4 616	4 922	4 266
Infrastructure - Water		1 165	175	573	801	585	585	850	1 326	1 436
Infrastructure - Sanitation		1 257	983	1 957	2 037	2 037	2 037	2 281	2 555	2 861
Infrastructure - Other		623	523	-	718	-	-	1 710	732	761
Infrastructure		5 758	5 366	6 332	9 667	9 782	9 782	17 639	17 855	17 829
Community		815	1 699	1 979	4 029	4 031	4 031	3 695	3 950	4 206
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	2 841	3 476	4 499	5 665	5 528	5 528	7 135	7 400	8 019
TOTAL EXPENDITURE OTHER ITEMS		38 609	40 377	34 864	39 687	38 677	38 677	51 200	54 664	58 388
Renewal of Existing Assets as % of total capex		36.4%	43.5%	20.5%	12.7%	15.9%	15.9%	14.9%	13.4%	13.9%
Renewal of Existing Assets as % of deprecn		42.6%	102.0%	51.5%	56.2%	84.3%	84.3%	75.9%	54.7%	48.7%
R&M as a % of PPE		1.5%	1.5%	1.7%	2.5%	2.3%	2.3%	3.1%	2.9%	2.8%
Renewal and R&M as a % of PPE		3.0%	4.0%	2.2%	15.2%	18.2%	18.2%	18.0%	16.3%	16.7%

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Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40% of their capital Budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8% of PPE. The Municipality does not meet these recommendations.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights Bitou Municipality's strategy to address the maintenance backlog.

Figure 5 Depreciation in relation to repairs and maintenance over the MTREF

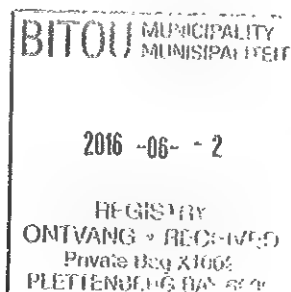
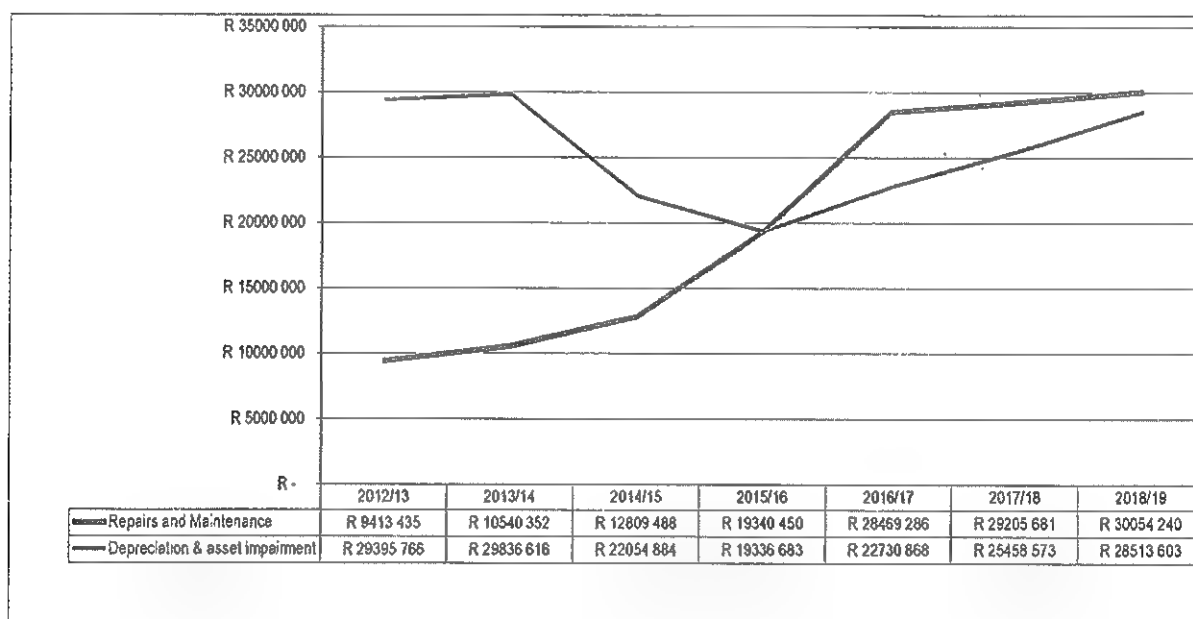


Table 26 MBRR Table A10 - Basic Service Delivery Measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year 11/2017/18	Budget Year +2 2018/19
Household service targets	1									
Water:										
Piped water inside dwelling		10 612	11 087	11 347	11 734	11 734	12 134	12 543	12 976	-
Piped water outside yard (but not in dwelling)		5 250	5 639	6 238	6 800	6 800	7 413	8 081	8 810	-
Using public tap (at least min. service level)	2	1 675	1 675	1 725	1 751	1 751	1 777	1 804	1 831	-
Other water supply (at least min. service level)	4	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		17 537	18 401	19 310	20 285	20 285	21 324	22 433	23 617	-
Using public tap (< min. service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min. service level)	4	-	-	-	-	-	-	-	-	-
No water supply		229	229	229	229	229	200	150	180	-
Below Minimum Service Level sub-total		229	229	229	229	229	200	150	180	-
Total number of households	5	17 766	18 630	19 539	20 514	20 514	21 524	22 633	23 797	-
Sanitation/sewage:										
Flush toilet (connected to sewerage)		13 612	14 441	15 183	16 035	16 035	16 935	17 886	18 890	-
Flush toilet (with septic tank)		2 131	2 165	2 283	2 363	2 363	2 445	2 532	2 621	-
Chemical toilet		16	16	16	16	16	15	14	13	-
Pit toilet (ventilated)		35	35	35	35	35	33	31	29	-
Other toilet provisions (> min. service level)		1 675	1 675	1 725	1 751	1 751	1 777	1 804	1 831	-
Minimum Service Level and Above sub-total		17 469	18 333	19 242	20 200	20 200	21 206	22 267	23 384	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min. service level)		297	297	297	297	297	250	275	260	-
No toilet provisions		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		297	297	297	297	297	250	275	260	-
Total number of households	5	17 766	18 630	19 539	20 497	20 497	21 456	22 542	23 644	-
Energy:										
Electricity (at least min. service level)		8 733	10 374	10 607	19 985	19 985	20 047	20 488	20 488	-
Electricity - prepaid (min. service level)		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		8 733	10 374	10 607	19 985	19 985	20 047	20 488	20 488	-
Electricity (< min. service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	8 733	10 374	10 607	19 985	19 985	20 047	20 488	20 488	-
Refuse:										
Removed at least once a week		-	-	16 185	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	16 185	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	16 185	19 338	19 338	19 670	20 111	20 411	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	16 185	19 338	19 338	19 670	20 111	20 411	-
Households receiving Free Basic Service	7									
Water (6 kilolitre per household per month)		2 472	3 194	3 843	4 364	4 364	4 364	4 964	5 264	5 564
Sanitation (free minimum level service)		2 472	3 194	3 843	4 364	4 364	4 364	4 964	5 264	5 564
Electricity/other energy (50kwh per household per month)		2 472	3 194	3 843	3 370	3 370	3 370	4 964	5 264	5 564
Refuse (removed at least once a week)		2 472	3 194	3 843	4 364	4 364	4 364	4 964	5 264	5 564
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitre per indigent household per month)		-	767	5 724	6 877	4 939	4 939	8 229	9 181	10 211
Sanitation (free sanitation service to indigent households)		-	1 659	23 439	25 123	25 123	25 123	26 128	27 434	28 532
Electricity/other energy (50kwh per indigent household per month)		-	657	1 157	1 070	1 178	1 178	1 750	2 061	2 420
Refuse (removed once a week for indigent households)		-	1 780	11 904	12 775	12 775	12 775	13 286	13 951	14 509
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	5 663	42 226	45 845	44 655	44 655	48 394	52 628	55 672
Highest level of free service provided per household										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitre per household per month)		-	766 798	5 723 766	6 877 367	4 939 776	4 939 776	8 229 439	9 181 372	10 211 426
Sanitation (kilolitre per household per month)		-	1 659 139	23 439 375	25 123 100	25 123 100	25 123 100	26 128 030	27 434 440	28 531 820
Sanitation (Rand per household per month)		-	657 486	1 157 153	1 059 764	1 178 201	1 178 201	1 749 591	2 061 088	2 419 651
Electricity (kwh per household per month)		-	1 779 762	11 904 410	12 775 300	12 775 300	12 775 300	13 286 320	13 950 640	14 508 670
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue - cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (Impermissible values per section 17 of MPRA)		4 566	4 879	5 661	6 151	6 151	6 151	6 524	6 524	6 524
Property rates - exemptions, reductions and rebates and Impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitre per indigent household per month)		-	602	3 366	2 761	4 650	4 650	1 795	1 344	735
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	2 106	1 915	1 066	977	977	492	293	28
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue - cost of subsidised services provided	6	4 566	7 587	10 943	9 997	11 778	11 778	8 810	8 160	7 285

Part 2 – Supporting Documentation

2.1 Overview of the annual Budget process

2.1.1 Political overview of the Budget process

Section 53 of the MFMA stipulates that the Mayor should exercise general political guidance over the Budgeting process and must direct the completion of the Budget.

2.1.2 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year, a time schedule that sets out the process to revise the IDP and prepare the Budget.

The required IDP and Budget time schedule was tabled in Council on 31 August 2015. The proposed programs in accordance with the plan did continue and the necessary meetings were held. Key dates applicable to the process were:

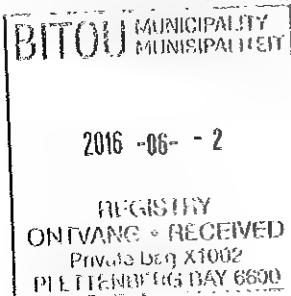
2.1.3 First round of meetings

Sessions held were with ward committee members. The purpose of these sessions was to give ward committees an opportunity to prioritize their ward issues, give cost estimates and prepare priorities for better alignment with the budget and further make their submissions in the draft budget.

Ward	Date	Venue	Outcomes
1	30 September 2015	Kurland Community Hall	Revised list of ward development priorities
1	07 September 2015	Green Valley Community Hall	A revised list of priorities was submitted
2	29 September 2015	Plesang Hall	A revised list of priorities was submitted
3	09 September 2015	Bicycle Shed Community Hall	An updated list of priorities was submitted
4	10 September 2015	New Horizon Community Hall	Meeting never materialized due to non-attendance
5	29 September 2015	Kwa-Nokuthula Community Hall	A revised list of priorities was submitted
6	29 September 2015	Kwa-Nokuthula Community Hall	A revised list of priorities was submitted
7	01 October 2015	Harkeville Harmony Park	A revised list of priorities was submitted

2.1.4 Second round of meetings

During the Month of April 2016 Public Meetings were held in all ward. In these meetings, communities were afforded an opportunity to comment on the Draft IDP and Draft Budget. Below are the dates and times indicating when the meetings were held in each ward.



Wards	Meeting Venue	Date	Time
Ward 1	Kurland Community Hall	19/04/2016	19:00
Ward 1	Green Valley Community Hall	04/05/2016	19:00
Ward 2	Piesang Hall	18/04/2016	17:00
Ward 3	Bicycle Shed	20/04/2016	18:00
Ward 4	New Horizons Community Hall	21/04/2016	19:00
Ward 5	Kwa-Nokuthula Community Hall	03/05/2016	18:00
Ward 6	Kwa-Nokuthula Community Hall	03/05/2016	18:00
Ward 7	Kranshoek Community hall	28/04/2016	19:00
Ward 5	Kwa-Nokuthula Community Hall	05/05/2016	19:00

2.1.5 District IDP alignment workshop

In trying to align the Bitou Municipal IDP with district planning, the municipality participate in the district alignment workshops. A workshop was held at Eden district Municipality on the 26 April 2016 this was to give the non-governmental sector an opportunity to comment and make inputs into the IDP. Tourism and the business chambers participated in this process and the chairperson of tourism submitted a list of tourism projects for budget considerations.

2.1.6 Provincial IDP Indaba

In promotion of cooperative governance the Municipality participated in a number of district and provincial forums which are aimed at integrating government services. These forums includes but not limited to the following:

- District IDP managers forum
- Provincial Joint Planning Initiative
- Provincial Quarterly IDP Managers Forum
- IDP Indaba 2
- MGRO
- LGMTEC 3

2.1.7 Public Invitation/Notices and Stakeholders/Community Consultation

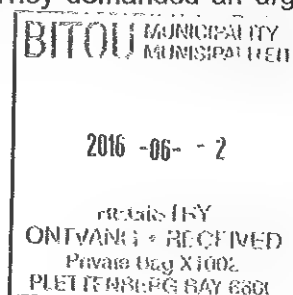
A public notice was placed into the local newspaper as per the requirement of Section 21 of the Municipal Systems Act in which an announcement was made about the availability of the Draft IDP and Draft Budget for viewing and comments at Municipal Offices and Libraries. The closing date for comments was set for 29 April 2016.

The following are comments received in each of the wards during public participation. It is a legislative requirement that Council respond to the comments and or objections raised by the public.

Comments from Ward 1

All areas of the ward were fairly happy about the budget. However,

Green valley is having serious and deeply rooted concerns about housing. Amongst their concerns is the types of houses that will be constructed. They demanded an urgent housing meeting in which the following issues should be addressed:



- Type of houses (single stands or high density) that will be built;
- Storm water drainage at the new site;
- They want feedback on the purchasing of land apparently swap process was underway, so what happened to that process?

Kurland is also having a housing problem and were also concerned about roads, electricity selling points and after working hours. Another issue is lighting at the entrance of the village. The meeting cited that that area is more dangerous and few rapes, robbery and murder cases were reported as a result. They would also like law enforcement to be more visible and active.

Comments from Ward 2

The ward is fairly happy about the budget. However more issues were added on the ward list for future consideration.

1. A major concern for the new budget is a budget and capacity building for the LED section. An Amount of R1 000 000.00 was requested for this section to initiate job creation projects.
2. Another major concern for this ward is waste management and penalizing restaurants for not recycling their used oil.
3. Council has to urgently host the economic summit to discuss and craft the economic direction of the town.

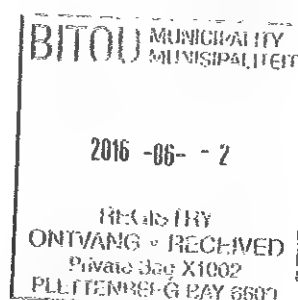
Comments from Ward 3

The following issues were highlighted as concerns for budget purposes:

1. Construction of a speed hump at the bottom of Robberg towards Bossiesgif;
2. Alien clearing or total removal of shrubs and trees between Bossiesgif and the new development for crime prevention;
3. Construction of a concrete slab wall to separate the new houses from the bushes;
4. Provision of additional ablution facilities and removal of the unused toilets at the circle.
5. The visibility of law-enforcement and extension of traffic services into the ward.
6. Other concerns relate to health

Comments from Ward 4

1. The community of this ward rejected the construction of houses next to the community hall. All though there was a rejection of this project some community members felt that this project should commence. In addition to the rejection of housing project six hundred New Horizon community members signed a petition demanding the immediate halt of this project.
2. Another request was for the municipality to verify the occupancy of the new houses. It is alleged that the beneficiaries of those houses are renting them out whilst many of neighbouring New Horizons residents struggle with housing.
3. Electricity and storm water drainage was also highlighted as a concern.
4. There is also an accusation that only one company is benefiting from the housing development project in Bitou.



Comments from Ward 5 and 6

1. The communities of these wards expressed their inscribed and deep-rooted rejection of the waste transfer station. Youth and cultural development was also highlighted as a concern.
2. It was argued that the municipality is mum on youth programmes.
3. Storm water drainage has been the highlight of phase three residents.
4. The continuous power outages in Kwa-Nokuthula was flagged in the meeting.
5. Waste management and illegal dumping were also flagged as the issue and a request for waste drop-off facilities was requested especially for building non wet waste.

Comments from Ward 7

1. The entire budget was welcomed.
2. Illegal dumping is still major concern in this ward.
3. Poor workmanship on the first houses was cited and a concern is to fix the cracks on those houses.
4. Forrest View demands housing and rehabilitation of their gravel road.
5. Tender processes and procedures are not clearly understood and a workshop or training program is requested.

The input received from the local community and any other issue raised in the different wards has been consolidated, considered and submitted as Annexure I with this Final Draft Budget tabled in Council on 31 May 2016.

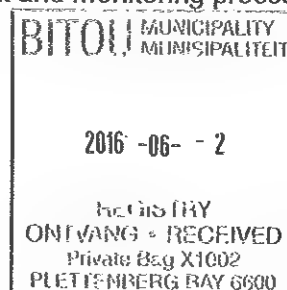
Other comments and input are received from Provincial treasury and other stakeholders where the Municipality is also required to respond on the matters raised. Responses were received through LGMTEC engagement with the provincial treasury and are contained in Annexure H of this Final Draft Budget tabled on 31 May 2016.

2.1.8 IDP and Service Delivery and Budget Implementation Plan

The Final Draft 2016/2017 and MTREF is the fourth review of the fourth IDP Cycle and the consultation process already commenced after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2015/16 MTREF in August 2015.

Bitou Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, Budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan includes the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and Budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.



The IDP has been taken into a business and financial planning process leading up to the Final Draft 2016/17 MTREF, based on the approved 2015/16 MTREF, Mid-year Review and May adjustments Budget. The planning process has subsequently been adjusted after considering the revised revenue projections and expenditure patterns contained in the February approved adjustments Budget.

With the compilation of the Final Draft 2016/17 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance, master plans and April month performance report against the 2015/16 May adjusted Budget.

2.1.9 Financial Modeling and Key Planning Drivers

As part of the compilation of the Final Draft 2016/17 MTREF, extensive financial analysis was undertaken for a variety of expenditure items and categories to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the Final Draft 2016/17 MTREF:

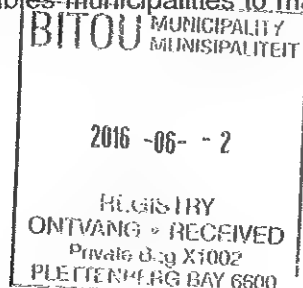
- Growth in the Local Economy
- Policy priorities and strategic objectives
- Creation of new assets, renewal and maintenance of assets
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns as evident from Census 2011)
- Performance trends
- The latest approved 2015/16 February adjustments Budget and Year to Date performance
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the contents of the National Treasury's MFMA previous Budget related Circulars and recent ones being Circular 79 have been taken into account in the planning and prioritisation process.

2.2 Overview of alignment of annual Budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society as highlighted in the National Development Plan can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and Budget priorities to create a development platform. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.



This is the fourth review of the fourth IDP Cycle of 5 years and it is of essence that all stakeholders actively participate in the IDP process in order to ensure appropriate priorities are linked to scarce funding sources.

One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and Bitou Municipality's response to these requirements. The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- The National Development Plan
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National Spatial Development Perspective (NSDP) and

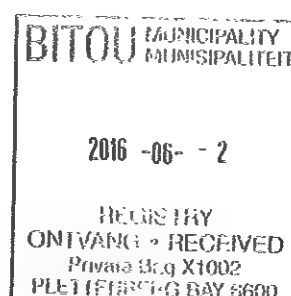
Table 27 IDP Strategic Objectives

2016/17 MTREF	
1.	To ensure efficient and affordable basic services to all residents of Bitou
2.	To strengthen the economy of Bitou for sustainable growth and job creation
3.	To develop a municipal governance system that complies with international best practice
4.	Create an institution that can align planning with implementation for effective and efficient service delivery
5.	To be a financially viable institution geared to provide affordable and sustainable services to the clientele of Bitou municipality

In order to ensure integrated and focused service delivery between all spheres of government it is important for Bitou Municipality to align its Budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

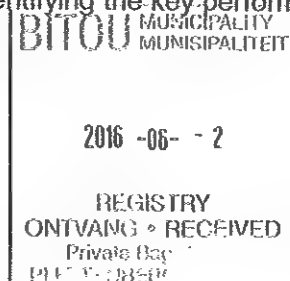
Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;



- Provide roads and storm water;
 - Provide public transport;
 - Provide city planning services; and
 - Maintaining the infrastructure of Bitou Municipality.
2. Economic growth and development that leads to sustainable job creation by:
- Ensuring there is spatial development framework for Bitou Municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
- Effective implementation of the Indigent Policy;
 - Extending waste removal services and ensuring an effective cleansing service;
 - Ensuring all waste water treatment works are operating optimally and retaining green drop status;
 - Creating a safe environment for our communities in collaboration with the SAPS;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands, the seashore and key public open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly coordinated.
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
- Optimizing effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound transparent and accountable governance through:
- Publishing the outcomes of all tender processes on the municipal website
 - Establishing a well-functioning audit- and oversight committee and MPAC
- 5.2 Ensure financial sustainability through:
- Carefully evaluating all spending decisions
 - Limiting the use of consultants and reviewing the use of contracted services
 - Ensuring value for money spending in all procurement processes.
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
- Implementation of the revised organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for Bitou Municipality. The five-year programme responds to the development challenges and opportunities faced by the municipality by identifying the key performance areas to achieve the five strategic objectives mentioned above.



In addition to the five-year IDP, Bitou Municipality is undertaking an extensive planning and developmental strategy that will primarily focus on a longer-term horizon; 10 to 15 years. This process is necessary to influence the future development path and to set clear goals for the future development within the municipal area. The strategy will target future developmental opportunities in traditional dormitory settlements. It should provide direction to Bitou Municipality's IDP, associated sectorial plans and strategies, and the allocation of resources from the municipality and other service delivery partners. A step in the right direction has been taken by developing a long term financial plan which not only takes into account financial analysis but broader analysis which includes condition of the infrastructure, social and economic trends. Further a provision is made for a system that will assist with management of our infrastructure.

The Final Draft 2016/17 MTREF has therefore been directly informed by the IDP process and the following tables provide reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 28 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and Budgeted revenue

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand													
Basic services and infrastructure development				264 782	330 520	343 829	375 421	394 010	394 010	402 417	410 060	442 350	
Local Economic Development				5 503	1 300	1 260	1 323	3 694	3 694	2 910	3 094	3 273	
Good Governance and Transformation				34 719	42 454	25 574	27 329	27 609	27 609	29 959	34 636	38 532	
Institutional Development				7 365	2 535	10 781	7 692	9 063	9 063	10 279	8 884	9 386	
Financial viability				84 240	98 346	108 113	116 831	118 179	118 179	124 882	133 009	141 302	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	395 610	475 155	489 556	528 596	552 554	552 554	570 446	589 673	634 853

Table 49 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and Budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand													
Basic services and infrastructure development				235 936	276 107	209 585	326 576	342 140	342 140	347 059	352 128	362 149	
Local Economic Development				17 274	20 394	19 847	28 440	28 718	28 718	29 155	33 752	37 072	
Good Governance and Transformation				54 642	■ ■ ■ ■	44 682	50 548	50 415	50 415	52 818	55 921	58 930	
Institutional Development				29 808	32 051	27 376	32 679	36 483	36 483	36 531	38 194	40 423	
Financial viability				13 655	23 835	34 369	46 259	45 887	45 887	56 825	58 947	62 561	
Allocations to other priorities													
Total Expenditure				1	351 315	410 817	435 850	424 500	503 643	503 643	522 388	538 942	561 136

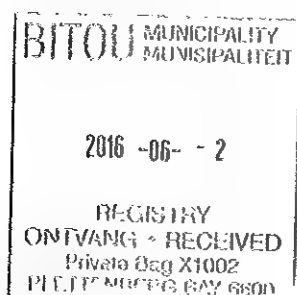


Table 30 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and Budgeted capital expenditure

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Basic services and infrastructure development		A		34 081	66 774	53 294	81 946	91 347	91 347	109 840	102 099	98 069
Local Economic Development		B		12	543	-	1 764	1 476	1 476	4 300	200	-
Good Governance and Transformation		C		236	697	733	2 202	2 621	2 621	449	40	340
Institutional Development		D		11	343	2	110	101	101	100	-	-
Financial viability		E		59	1 508	1 469	3 848	6 692	6 692	1 375	1 850	1 100
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	34 399	69 865	55 497	89 870	102 237	102 237	116 054	104 189	99 529

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, Bitou Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

In addition National Treasury Circular 75 requires Municipalities to table with the Budget the standard service level; this is attached as Annexure G. It is the intention to measure performance of Municipalities to what they have committed to do for the communities. At any given time within government, information from multiple years is being considered; plans and Budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, Budgeting and reporting cycle can be graphically illustrated as follows taking into consideration the implementation of mSCOA:



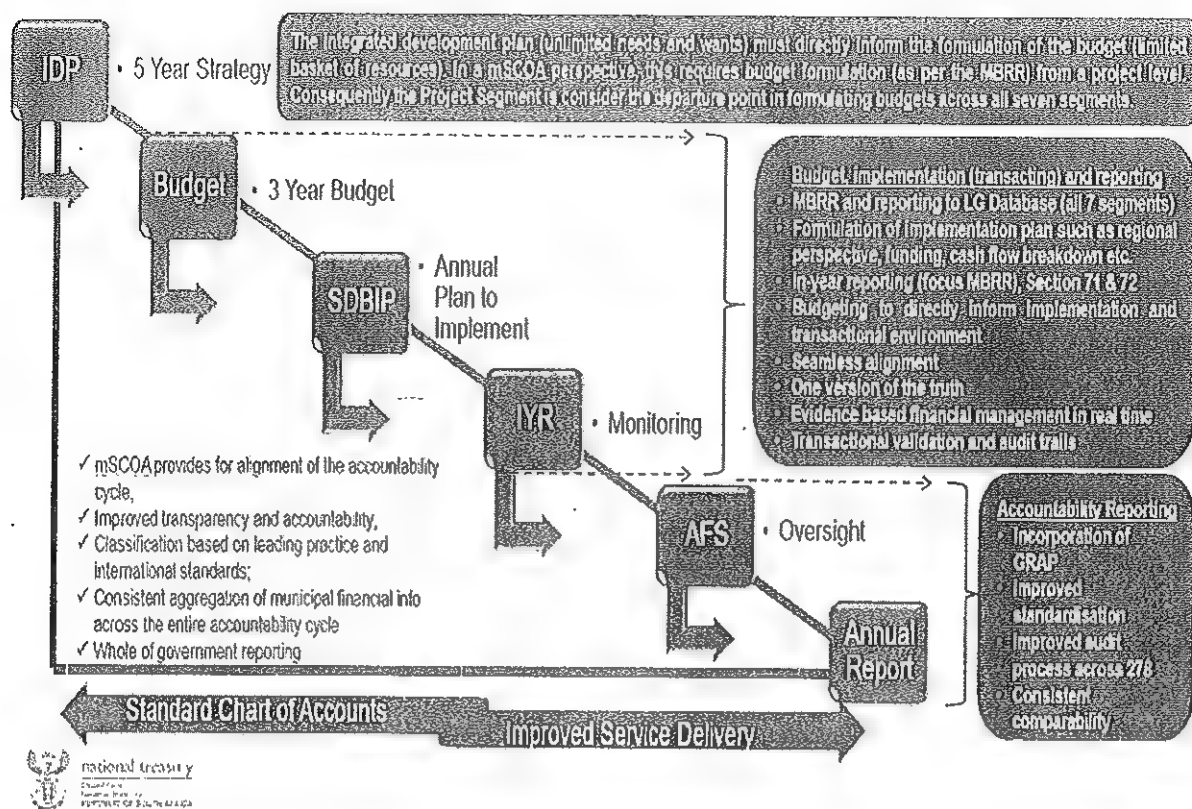


Figure 6 Planning, Budgeting and reporting cycle

The performance of Bitou Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. Bitou Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by Bitou Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

The following table provides some of the main measurable performance objectives the municipality undertakes to achieve in the coming financial years.

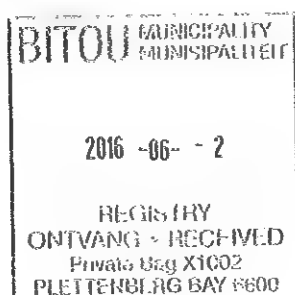


Table 31 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Office of the Municipal Manager (Internal Audit and Risk Management)	A Risk Based Audit Plan for the 2015/2016 financial year compiled and submitted to the Audit Committee by 30 November 2015	1	1	1	1	1	1	1	1	1
Corporate and submit the Risk Based Audit Plan (RBAP) for the 2015/2016 financial year to the Audit Committee by 30 November 2015	A Risk Based Audit Plan for the 2015/2016 financial year compiled and submitted to the Audit Committee by 30 November 2015									
Internal Audit and Risk Management	(Actual audits completed divided by the audits scheduled for the year)x100	New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	107.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
80% of audits completed as scheduled in the RBAP applicable for 2014/15 by 30 June 2016 (Actual audits completed divided by the audits scheduled for the year)x100										
Internal Audit and Risk Management	Number of meetings held during the 2015/2016 financial year	New performance indicator for 2013/14. No audited comparatives available	5	4	4	4	4	4	4	4
Facilitate the quarterly meetings of the audit committee for the 2015/2016 financial year.										
Financial Services										
Free Basic Water	Number of indigent and sub economic households receiving free basic water as per FMS as at 30 June 2016	5488	5702	6103	4019	4019	4019			
Provide subsidies for free basic water to indigent households and sub economic households as at 30 June 2016										
Free Basic Electricity	Number of indigent and sub economic households receiving free basic electricity as per FMS as at 30 June 2016	6376	6550	6703	4019	4019	4019			
Provide subsidies for free basic electricity to indigent households and sub economic households as at 30 June 2016										
Free Basic Sanitation	Number of indigent and sub economic households receiving free basic sanitation as per FMS as at 30 June 2016	2472	3194	6251	4019	4019	4019			
Provide subsidies for free basic sanitation to indigent households and sub economic households as at 30 June 2016										
Free Basic Refuse	Number of indigent and sub economic households receiving free basic refuse removal as per FMS as at 30 June 2016	2472	3194	6253	4019	4019	4019			
Provide subsidies for free basic refuse removal to indigent households and sub economic households as at 30 June 2016										
Capital Budget Spent	((Actual amount spent on capital projects / Total amount budgeted for capital projects)x100) as at 30 June 2016	New performance indicator for 2013/14. No audited comparatives available	88.6%	88.6%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
The percentage of the municipal capital budget actually spent on capital projects as at 30 June 2016 ((Actual amount spent on capital projects / Total amount budgeted for capital projects)x100)										

BITOU MUNICIPALITY

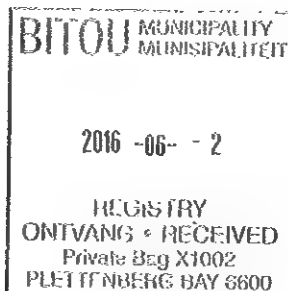
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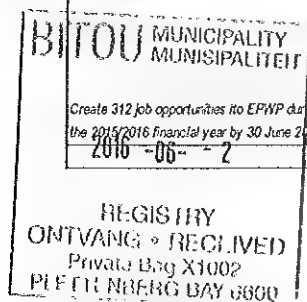
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WC047 Bitou - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Debt Obligations										
Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2016	Debt to Revenue as at 30 June 2016 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant at 30 June 2016	New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	32.65	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Financial viability										
Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services as at 30 June 2016	Net Service debtors to revenue as at 30 June 2016 - ((Total outstanding service debtors minus provision for bad debt) / (revenue received for services) at 30 June 2016	New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	12.47	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%
Sub-function 2 - (name)										
Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2016	Cost coverage as at 30 June 2016 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	2.35	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sub-function 3 - (name)										
Achieve a debtor payment percentage of 92% by 30 June 2016 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off) / Billed Revenue) x 100 at 30 June 2016	((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off) / Billed Revenue) x 100 at 30 June 2016	New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	98.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%
Sub-function 4 - (name)										
Complete a plan to address the audit findings for the 2014/15 financial year and submit to the Municipal Manager by 31 January 2016	Plan completed and submitted to MM by 31 January 2016	New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	1	1	1	1	1	1	1



Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Corporate Services										
Percentage of people equal to 90% from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan by 30 June 2016 (Number of people from employment equity target groups employed (appointed) in the three highest levels of management in compliance with a municipality's approved employment equity plan/ Number of people employed (appointed) in the three highest levels of management (x100)	% of people equal to 90% from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan by 30 June 2016 (Number of people from employment equity target groups employed (appointed) in the three highest levels of management in compliance with a municipality's approved employment equity plan/ Number of people employed (appointed) in the three highest levels of management (x100)	90%	90%	90%	90%	90%	90%	90%	90%	90%
Skills Development										
Spent 0.1% of operational budget on training by 30 June 2016 ((Actual total training expenditure divided by total operational budget (x100)	(Actual total training expenditure divided by total operational budget (x100)	0.0%	0.0%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Funded Posts										
90% of funded posts filled by 30 June 2016 ((Actual funded posts filled divided by approved funded posts (x100)	% of funded posts filled by 30 June 2016 (Actual funded posts filled divided by approved funded posts (x100)	90.0%	90.0%	96.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Engineering Services										
Water										
Provide piped water to properties which are connected to the municipal water infrastructure network and billed for the service as at 30 June 2016	Number of properties that receive piped water as per the FMS as at 30 June 2016	14 513	14 800	10 543	10 516	10 516	10 516	10 516	10 516	10 516
(Electricity)										
Provide electricity to properties connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering as at 30 June 2016	Number of properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) as per the FMS as at 30 June 2016	10 374	15 653	11 578	11 527	11 527	11 527	11 527	11 527	11 527
Sanitation										
Provide sanitation services to properties which are connected to the municipal waste water (sanitation/sewage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2016	Number of residential properties which are billed for sewerage in accordance with the financial system as at 30 June 2016	14 105	14 328	11 706	11 706	11 706	11 706	11 706	11 706	11 706
EPWP										
Create 312 job opportunities for EPWP during the 2015/2016 financial year by 30 June 2016	Number of job opportunities created by 30 June 2016	New performance indicator for 2015/16. No audited comparatives available		New performance indicator for 2015/16. No audited comparatives available	312	312	312	200	200	200



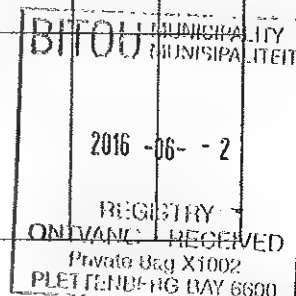
Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
FTE's										
Number of FTE's created by 30 June 2016		New performance indicator for 2015/16. No audited comparatives available		New performance indicator for 2015/16. No audited comparatives available	47	47	47	40	40	40
<i>Create 47 FTE's in terms of the EPWP during the 2015/2016 financial year by 30 June 2016</i>										
Electricity Losses										
% unaccounted electricity by 30 June 2016 ((Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) x 100		11,6%	17,8%	11,51	15,0%	15,0%	15,0%	15,0%	15,0%	15,0%
<i>Limit unaccounted for electricity to less than 15% by 30 June 2016 ((Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) x 100</i>										
Electricity Maintenance Budget										
% of the electricity maintenance budget spent by 30 June 2016 ((Actual expenditure on maintenance divided by the total approved maintenance budget)x100)		New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	85,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%
<i>90% of the electricity maintenance budget spent by 30 June 2016 ((Actual expenditure on maintenance divided by the total approved maintenance budget)x100)</i>										
Electricity Capital Budget										
% of the electricity capital budget spent by 30 June 2016 ((Actual capital expenditure divided by the total approved capital budget)x100)		New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	99,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%
<i>90% of the electricity capital budget spent by 30 June 2016 ((Actual capital expenditure divided by the total approved capital budget)x100)</i>										
Road and Stormwater Maintenance Budget										
% of the roads and stormwater maintenance budget spent by 30 June 2016 ((Actual expenditure on maintenance divided by the total approved maintenance budget)x100)		New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	88,84	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%
<i>90% of the roads and stormwater maintenance budget spent by 30 June 2016 ((Actual expenditure on maintenance divided by the total approved maintenance budget)x100)</i>										
Roads and Stormwater Capital Budget										
% of the roads and stormwater capital budget spent by 30 June 2016 ((Actual capital expenditure divided by the total approved capital budget)x100)		New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	94,56	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%
<i>90% of the roads and stormwater capital budget spent by 30 June 2016 ((Actual capital expenditure divided by the total approved capital budget)x100)</i>										
Sewerage Maintenance Budget										
% of the sewerage maintenance budget spent by 30 June 2016 ((Actual expenditure on maintenance divided by the total approved maintenance budget)x100)		New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	76,48	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%
<i>90% of the sewerage maintenance budget spent by the end of June 2016 ((Actual expenditure on maintenance divided by the total approved maintenance budget)x100)</i>										

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Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Sewerage Capital Budget										
90% of the sewerage capital budget spent by the end of June 2016 (Actual capital expenditure divided by the total approved capital budget)x100)	% of the sewerage capital budget spent by 30 June 2016 ((Actual capital expenditure divided by the total approved capital budget)x100)			78.77	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Water Maintenance Budget										
90% of the water maintenance budget spent by the end of June 2016 (Actual expenditure on maintenance divided by the total approved maintenance budget)x100)	% of the water maintenance budget spent by 30 June 2016 ((Actual expenditure on maintenance divided by the total approved maintenance budget)x100)	New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	84.4	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Water Capital Budget										
90% of the water capital budget spent by the end of June 2016 (Actual capital expenditure divided by the total approved capital budget)x100)	% of the water capital budget spent by 30 June 2016 ((Actual capital expenditure divided by the total approved capital budget)x100)	New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	81.93	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Limit Unaccounted Water										
Limit unaccounted for water to less than 15% by 30 June 2016 ((Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (including Free basic water) / Number of Kilolitres Water Purchased or Purified x 100)	% unaccounted water by 30 June 2016 ((Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (including Free basic water) / Number of Kilolitres Water Purchased or Purified x 100)	17.0%		4.9	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Roads Reseal										
Reseal 2km of roads during the 2015/2016 financial year by 30 June 2016	Number of kilometers of roads resealed	New performance indicator for 2015/16. No audited comparatives available		New performance indicator for 2015/16. No audited comparatives available	2km	2km	2km	1.5km	1.5km	1.5km
Rehabilitate Roads										
Rehabilitate 1km of roads during the 2015/2016 financial year by 30 June 2016	Number of kilometers of roads rehabilitated	New performance indicator for 2015/16. No audited comparatives available		New performance indicator for 2015/16. No audited comparatives available	1km	1km	1km	600m	600m	600m
Upgrade Gravel Roads										
Upgrade 500 meters of gravel roads during the 2015/2016 financial year by 30 June 2016	Number of meters of gravel roads upgraded	New performance indicator for 2015/16. No audited comparatives available		New performance indicator for 2015/16. No audited comparatives available	500m	500m	500m	500m	500m	500m
Waste Transfer Station										
Complete the construction of the Waste Transfer Station by 30 June 2016	Project completed	New performance indicator for 2015/16. No audited comparatives available		New performance indicator for 2015/16. No audited comparatives available	100.0%	100.0%	100.0%			



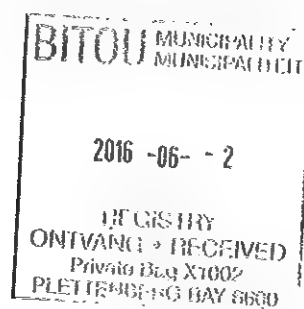
Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Fleet Management (Vehicles Purchase)										
Number of vehicles purchased by 30 September 2015		New performance indicator for 2015/16. No audited comparatives available		New performance indicator for 2015/16. No audited comparatives available	28	28	28	KPI to be deleted on the 2016/2017 SDGP	KPI to be deleted on the 2016/2017 SDGP	KPI to be deleted on the 2016/2017 SDGP
Purchase of 28 vehicles budgeted for by 30 September 2015										
PMU (Ring Cable Project)										
Project completed		New performance indicator for 2015/16. No audited comparatives available		New performance indicator for 2015/16. No audited comparatives available	100.0%	100.0%	100.0%			
Complete the second phase of the ring cable project by 30 June 2016										
PMU (Waste Water Pump Station)										
Number of pump station upgraded		New performance indicator for 2015/16. No audited comparatives available		New performance indicator for 2015/16. No audited comparatives available	2	2	2			
Upgrade the 2 waste water pump stations by 30 June 2016										
PMU (Sand Filters)										
Project completed		New performance indicator for 2015/16. No audited comparatives available		New performance indicator for 2015/16. No audited comparatives available	100.0%	100.0%	100.0%			
Complete the electrical and mechanical works to 2 new sand filters at the Plettenberg Bay Water Treatment Works by 30 June 2016										
Community Services										
Refuse										
Number of properties which are billed for refuse removal as per the FMS as at 30 June 2016		New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	9994	16 665	16 665	16 665			
Provide refuse services to properties for which refuse is removed and billed for the service as at 30 June 2016										
Gqolweni Housing Project										
Number of top structures completed		New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	102	358	358	358			
Complete Gqolweni housing project totalling 358 top structures by 30 June 2016										
Kwanokuthula Housing Project										
Number of top structures completed		New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	127	226	226	226			
Complete Kwanokuthula housing project totalling 226 top structures by 30 June 2016										
Function 2: (name)-										
Refuse Maintenance Budget										
% of the refuse removal maintenance budget spent by 30 June 2016 ((Actual expenditure on maintenance divided by the total approved maintenance budget)x100)		New performance indicator for 2014/15. No audited comparatives available	New performance indicator for 2014/15. No audited comparatives available	112.46	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Spend 90% of the refuse removal maintenance budget by 30 June 2016 ((Actual expenditure on maintenance budget divided by the total approved maintenance budget)x100)										

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Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Land Purchase										
Purchase 4 portions of identified land (portion 20 of 437 / portion 2 of 437 / portion 25 of 473 / portion 306 of Wittedrif) by 30 June 2016	Number of portions of identified land purchased by 30 June 2016	New performance indicator for 2015/16. No audited comparatives available		New performance indicator for 2015/16. No audited comparatives available	4	4	4			
Upgrade Library										
Upgrade the Kranshoek Library by 30 June 2016	Project completed by 30 June 2016									
Strategic Services										
		New performance indicator for 2015/16. No audited comparatives available		New performance indicator for 2015/16. No audited comparatives available	100.0%	100.0%	100.0%			
Annual Report										
Compile and submit the final Annual Report and oversight report to Council by 31 March 2016	Final Annual Report and oversight report submitted to Council by 31 March 2016	1	1	1	1	1	1	1	1	1
IDP										
Review and submit the final IDP for 2016/2017 financial year to Council by 31 May 2016	IDP reviewed and submitted to Council by 31 May 2016	1	1	1	1	1	1	1	1	1
Land Audit										
Complete the land audit and submit to Council by 30 June 2016	Land audit completed and report submitted to Council by 30 June 2016	New performance indicator for 2015/16. No audited comparatives available		New performance indicator for 2015/16. No audited comparatives available	1	1	1			



The following table sets out the municipalities main performance objectives and benchmarks for the 2016/17 MTREF.

Table 32 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid/Operating Expenditure	7.6%	6.2%	7.7%	6.0%	5.9%	5.9%	5.9%	6.2%	6.4%	6.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing/Own Revenue	8.5%	7.5%	9.7%	7.6%	7.7%	7.7%	7.7%	7.9%	7.9%	7.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	161.0%	70.6%	41.5%	45.2%	48.3%	43.3%	43.3%	37.8%	43.2%	54.6%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	2332.1%	1607.3%	490.0%	452.7%	413.6%	413.6%	298.7%	440.5%	424.9%	342.5%
Liquidity											
Current Ratio	Current assets/current liabilities	1.0	1.4	1.7	1.3	1.6	1.6	1.6	1.3	1.2	1.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.0	1.4	1.0	0.6	0.8	0.8	0.8	0.4	0.2	0.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.4	0.6	1.1	0.6	0.9	0.9	0.9	0.6	0.5	0.7
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		90.5%	93.8%	94.2%	109.3%	94.2%	94.2%	94.2%	94.1%	94.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		90.5%	93.7%	94.1%	109.3%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.2%	14.6%	12.6%	14.8%	11.7%	11.7%	11.7%	11.4%	10.9%	12.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		71.4%	87.2%	40.9%	95.0%	58.9%	58.9%	58.9%	83.6%	96.3%	68.7%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kWh)	16 731 017	18 980 957	12 038 453	6 189 227	6 189 227	6 189 227	6 189 227	6 189 227	6 189 227	6 189 227
	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated	15.82%	17.90%	11.51%	5.85%	5.92%	5.92%	5.92%	5.92%	5.92%	5.92%
Water Distribution Losses (2)	Total Volume Losses (lit)	288 682	249 611	161 039	142 859	142 859	142 859	142 859	142 859	142 859	142 859
	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated	10.21%	7.04%	4.90%	4.70%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.1%	30.8%	29.4%	30.0%	35.4%	35.4%	35.4%	33.0%	40.1%	40.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.2%	31.9%	30.5%	37.1%	36.5%	36.5%		39.1%	41.2%	41.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.5%	2.5%	2.8%	4.0%	3.9%	3.9%		5.5%	5.4%	5.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	11.5%	10.2%	10.5%	7.3%	7.0%	7.0%	7.0%	7.4%	7.8%	8.0%
IDP regulation financial viability indicators											
1. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	15.5	15.1	16.6	17.0	17.0	17.0	15.0	15.1	15.2	16.3
	Total outstanding service debtors/annual revenue received for services	18.5%	21.6%	18.6%	21.5%	17.4%	17.4%	17.4%	16.4%	15.4%	17.4%
2. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.0	1.9	3.6	2.0	2.2	2.2	2.2	1.5	1.2	1.7

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2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Bitou Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of Bitou Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the Final Draft 2016/17 MTREF:

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is 41.6% which substantiates the above mentioned statement that Bitou Municipality is reaching its prudential borrowing limits.

Bitou Municipality's debt profile provides some interesting insights on Bitou Municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

Bitou Municipality has raised mainly amortising loans over the past five years, hence effectively 'front-loading' its debt service costs. This is reflected in Bitou Municipality's debt service profile, which predicts a decline in debt service over the Final Draft MTREF.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the recent credit rating of the country and the continued ability of Bitou Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

It is very unfortunate that the municipality cash flow has not reached sufficient and satisfactory levels thereby prolonging the period necessary for complete financial recovery.

2.3.1.2 Safety of Capital

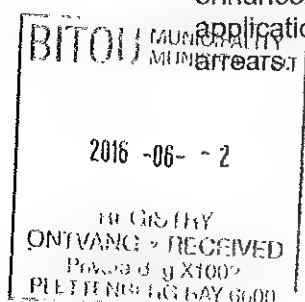
- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and over as well as tax provisions as a percentage of funds and reserves.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark Bitou Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the Final Draft 2016/17 MTREF the current ratio is 1.3 in the 2016/17 financial year 1.2 and for the 2017/2018 financial year 1.6 in 2018/19.

2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, this include ongoing revenue enhancement services to ensure all revenue remains in the revenue net, as well as strict application of the credit control policy to collect all debt current and debt that has fallen in



2.3.1.5 Creditors Management

- Bitou Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. With the liquidity ratio that is improving and by applying daily cash flow management the municipality has managed to ensure a 100% compliance rate to this legislative obligation. This has had a favorable impact on suppliers' perceptions of risk of doing business with Bitou Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for Bitou Municipality's business.

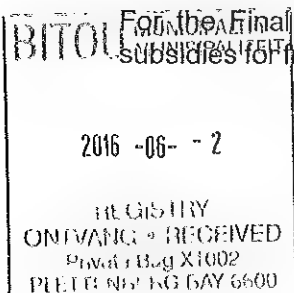
2.3.1.6 Other Indicators

- The electricity distribution losses will be significantly managed and reduced from 17.9% in the audited 2013/14 financial year to 11.5 in the audited 2014/15 financial year. The initiatives to ensure these targets are achieved include managing illegal connections, replacement of meters, minimizing unread meters and revenue enhancement initiatives where large consumers of electricity have been discovered that were not metered. The funding for these initiatives has already been allocated in the original Budget of 2015/16 which was approved in May 2015. Further provision is made in the Final Draft 2016/2017 Final Draft Budget and MTREF for this expenditure.
- The water distribution losses were reduced from 7.0% in the audited 2013/14 to 4.9% in the 2014/15 audited financial year. Losses are managed through a combination of exception reports, meter deviation reports and revenue enhancement initiatives. A concerted effort is necessary to reduce the losses even further to within acceptable norms by the conclusion of the Final Draft MTREF.
- Employee costs as a percentage of operating revenue is 38.8% increasing in the Final Draft 2016/2017 financial year and escalates by R 20, 7 year on year as a result of consideration for the adoption of the organizational structure and the filling of critical vacancies necessary for service delivery as well as the 7% general salary increase Budgeted for 2016/2017. Employee related cost continues to be one of the major costs related to service delivery and need to be carefully managed to be within acceptable norms.
- Repairs and maintenance as percentage of operating revenue is increasing marginally owing increase repairs of infrastructure. In real terms, repairs and maintenance has increased as part of Bitou Municipality's strategy to ensure the management of its asset base.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of Bitou Municipality. Registered indigents as well as residents in properties where the value is below R 350,000 qualify for either free basic services or service tariffs at a reduced rate.

For the Final Draft 2016/17 financial year between 4378 and 4500 households will receive subsidies for free or reduced cost services. In terms of the Municipality's indigent policy registered



households are entitled to 6kℓ free water, 50 kwh of electricity, free sanitation and free waste removal services, as well as a discount/full subsidy on their property rates. Indigent households are also exempted from the payment of basic water and electricity charges.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

Note that the number of households in Eskom distribution areas that receive free services and the cost of these services are not taken into account in the table noted above.

2.3.3 Providing clean water and managing waste water

Bitou Municipality is the Water Services Authority for the entire municipal area in terms of the Water Services Act, 1997 and also acts as water services provider.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

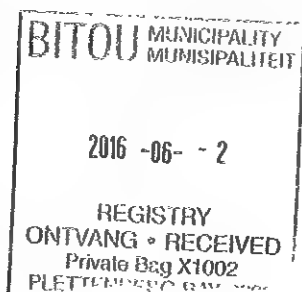
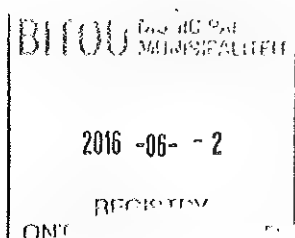
Bitou Municipality has repeatedly been awarded Blue Drop status since 2009/10, indicating that Bitou Municipality's drinking water is of exceptional quality. Bitou also received accolades for being the leader with regards to water and waste water quality for a medium sized municipality.

The following is briefly the main challenges facing Bitou Municipality with regards to water and waste water management.

- The infrastructure at certain waste water treatment works is old and require upgrade and refurbishment to continue meeting quality standards and maintaining and improving on the Blue and Green Drop Status;
- Shortage of skilled personnel makes proper operations and maintenance difficult;
- Water sources are scarce and bulk water augmentation is critical for the immediate future.
- Water storage is critical and required in the near future

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital Budget, subject to funding availability;
- The filling of vacancies has received priority in the current Budget as well as Final Draft 2016/17 MTREF and in-house skills development receive high priority;
- The Division is working in consultation with the Department of Water Affairs, neighboring municipalities and the Eden District to address bulk water augmentation. The strategy is achieving a 50%/50% water resource management strategy between surface water and other sources.
- Water saving measures will have to be encouraged, but this will have negative impacts on the income of the municipality moving forward



2.4 Overview of Budget related-policies

Bitou Municipality's Budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. All budget related policies were reviewed and workshopped with stakeholders and specifically Councillors. The final revised and amended budget policies are attached as Annexure D and submitted for consideration and approval with this Final Draft budget.

2.5 Overview of Budget assumptions

2.5.1 External factors

It is expected that the economic recovery will be slow and prolonged; the anticipated growth for 2016 is 1.2% rising to 1.9% in 2017.

Bitou municipality still find itself in the shadow of the economic downturn with limited financial resources at our disposal for service delivery this is also evident in the effort that needs to be made for the recovery of debt owed to the municipality. It is also therefore necessary to carefully evaluate spending decisions and to ensure value for money in all procurement processes.

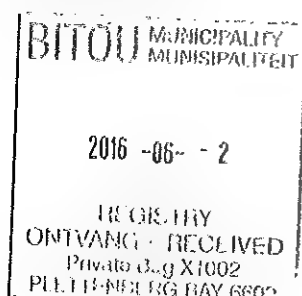
2.5.2 General inflation outlook and its impact on the municipal activities

There are six key factors that have been taken into consideration in the compilation of the 2016/17 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on the municipality residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity, transportation of refuse and water services standards;
- The increase in the cost of remuneration. Employee related costs comprise 37.0% of total operating expenditure in the Final Draft 2016/17 MTREF and therefore this increase above inflation places additional upward pressure on the expenditure Budget; and
- Recent credit rating of the country.

2.5.3 Credit rating outlook

The Municipality has not had a credit rating done and will engage provincial treasury through MGRO to assist in this regard. The long term financial plan does however indicate the credit rating of the Municipality and has been used as reliable information for planning purposes. This credit rating on the long term financial plan was conducted by INCA portfolios, who are a credible institution.



2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. Bitou Municipality intends to take up a loan of R25 Million in the Final Draft 2016/2017 financial year. The Final Draft 2016/17 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments on a bi-annual basis.

Interest rates for investment purposes remains low and the average interest rate on investment is anticipated to average between 4% and 5% for the Final Draft 2016/2017 financial year with little upward movement anticipated for the remainder of the MTREF.

2.5.5 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term, it is however anticipated that interest rates may urge upward in the medium term placing a further strain on cash strapped consumers.

The rate of revenue collection is currently expressed as a percentage (94%) of annual billing. Cash flow is assumed to be 93.0% of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however be only considered a source of additional cash in-flow once the performance has been carefully monitored.

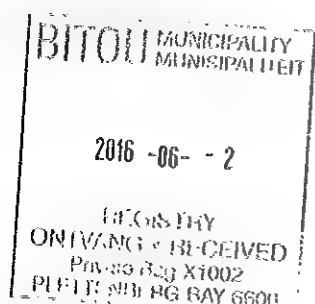
2.5.6 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of Bitou Municipality, household formation growth rate and the poor household change rate.

The compilation of the new general valuation roll for the period 2017 to 2021 may result in a small growth in the assessment rates base for the MTREF (6%), when allowing for objections and appeals on valuations as well as changes in categories in terms of the property rates policy, it is estimated that a real growth of between 3 and 4% will realise. Prudent financial management dictates that a conservative approach best serves a positive outcome and therefore the additional anticipated revenue as a result of the change in valuations necessitated a low additional revenue forecast.

2.5.7 Salary increases

The collective agreement regarding salaries/wages has come into operation on 1 July 2015 and it is hoped that it shall remain in force until 30 June 2018. For the purpose of calculation of salary related expenditure for the 2016/2017 financial year an across the board salary increase of 7% was used.



2.5.8 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs through labour intensive programs and projects as well as full participation in the EPWP;
- Enhancing education and skills development;
- Improving quality of life of all residents;
- Protection of the poor through appropriate subsidization and tariff setting
- Rural development and agriculture; and
- Creating a conducive environment for economic development

2.5.9 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 96.2% will be achieved on operating expenditure and 98.2% on the capital programme for the Final Draft 2016/17 MTREF of which performance has been factored into the cash flow Budget. The spending on both the operating Budget and capital Budget financed from own funding alike will be dependent on the realising of the revenue as per the revenue and cash flow estimates for the MTREF.

2.6 Overview of Budget funding

2.6.1 Funding of the Budget

Section 18(1) of the MFMA determines that an annual Budget can only be funded from:

- Realistically expected revenue to be collected;
- Cash-backed accumulated funds of preceding years' surpluses not earmarked for other purposes; and
- Borrowed funds, but only for the capital Budget referred to in Section 17.

Full achievement of this requirement effectively entails that a Council 'balances' its Budget by ensuring that the Budgeted outflow balances with a combination of planned inflow.

2.6.2 Credible Budget

A credible Budget, among other things, is a Budget, which:

- Only funds activities which are in line with the revised IDP, master plans and vice versa and which ensure that the IDP is realistically achievable while taking account of the financial restrictions of the municipality;
- Is achievable in respect of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are in line with current and previous performance and that are supported by documented evidence of future assumptions;
- Does not compromise the financial viability of the municipality (ensures that the financial position is contained within generally accepted prudent limits and that obligations can be met in the short, medium and long term); and

- Provides managers with suitable levels of delegation to enable them to fulfill their financial and managerial responsibilities.

A Budget sets out certain service delivery levels and accompanying financial implications. Consequently the community must realistically expect to receive these promised service levels and to understand the accompanying financial implications. High under spending due to under collection of revenue or poor planning is a clear example of a Budget that is not credible and realistic.

Furthermore, Final Draft Budgets tabled as early as 90 days before the start of the Budget year, must remain credible and fairly close to the approved Budget.

3.6.3 Long term financial planning

The current Budget only proposes to borrow an amount higher than the redemption portion of current borrowing and it will not place an unaffordable strain on the municipal financial position. Government Grants allocated to the Municipality still consist of the major source of capital funding over the Final Draft MTREF.

The municipality has made provision, cash-backed at 5%, for long-term employee benefits consisting of medical aid contributions for retired personnel and for the payment of long service bonuses.

The Final Draft Budget is fully compliant with GRAP standards. This will assist the basis for sound financial practices and compliance in terms of the MFMA and GRAP.

3.6.4 Sources of funding

Interest earned from investments is recorded in the operating revenue Budget. The interest earned is expected to remain constant due to a relative stable national monetary policy with regards to interest rates.

The following summarizes the Budgeted interest payable as reflected in the Final Draft MTREF;

2016/17 - R 15, 3 Million
 2017/18 - R 16, 6 Million
 2018/19 - R 18, 1 Million

3.6.5 Contributions

The Municipality receives R 2, 7 million to date in the current year for augmentation fees which serve as bulk service levies from new developers to provide infrastructure and other works as part of the conditions set with the granting process. This revenue source is not very predictable but with the prevailing economic climate it is expected that new developments will not follow past trends and these revenue streams are very dependent on economic recovery.

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

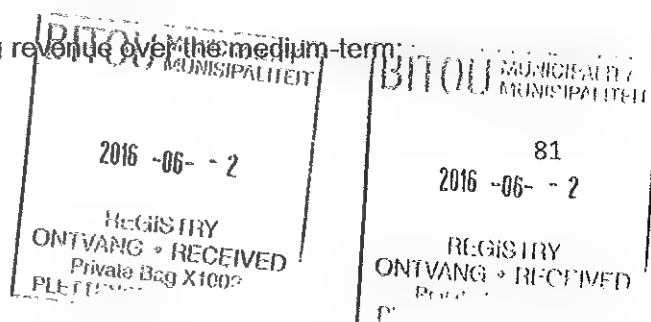
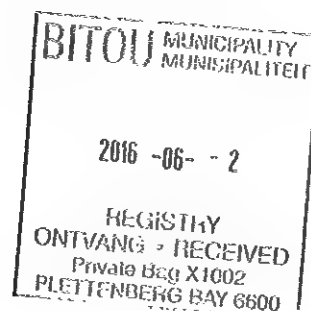


Table 33 Breakdown of the operating revenue over the medium-term

Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework							
R thousand	1	Adjusted Budget	%	Budget Year 2016/17	%	Budget Year +1 2017/18	%	Budget Year +2 2018/19	%
Revenue By Source									
Property rates	2	108 971	21.93%	115 510	22.50%	122 440	22.73%	129 787	22.38%
Property rates - penalties & collection charges		905	0.18%	1 275	0.25%	1 352	0.25%	1 433	0.25%
Service charges - electricity revenue	2	119 903	24.13%	129 334	25.19%	139 487	25.90%	150 462	25.94%
Service charges - water revenue	2	42 981	8.65%	45 752	8.91%	48 597	9.02%	51 724	8.92%
Service charges - sanitation revenue	2	36 135	7.27%	38 805	7.56%	41 395	7.69%	44 427	7.66%
Service charges - refuse revenue	2	22 911	4.61%	25 612	4.99%	28 449	5.28%	31 706	5.47%
Service charges - other		—	0.00%	—	0.00%	—	0.00%	—	0.00%
Rental of facilities and equipment		1 522	0.31%	1 440	0.28%	1 515	0.28%	1 605	0.28%
Interest earned - external investments		5 402	1.09%	5 828	1.14%	6 178	1.15%	6 549	1.13%
Interest earned - outstanding debtors		2 549	0.51%	3 163	0.62%	3 374	0.63%	3 599	0.62%
Dividends received		—	0.00%	—	0.00%	—	0.00%	—	0.00%
Fines		32 441	6.53%	22 016	4.29%	23 116	4.29%	24 239	4.18%
Licences and permits		65	0.01%	6 052	1.18%	6 058	1.12%	6 064	1.05%
Agency services		1 285	0.26%	1 219	0.24%	1 293	0.24%	1 370	0.24%
Transfers recognised - operational		107 418	21.62%	104 230	20.30%	101 353	18.82%	112 243	19.35%
Other revenue	2	14 246	2.87%	13 026	2.54%	13 755	2.55%	14 518	2.50%
Gains on disposal of PPE		210	0.04%	223	0.04%	236	0.04%	250	0.04%
Total Revenue (excluding capital transfers and contributions)		496 943	100.00%	513 486	100.00%	538 597	100.00%	579 977	100.00%



The following graph is a breakdown of the operational revenue per main category for the 2016/17 financial year.

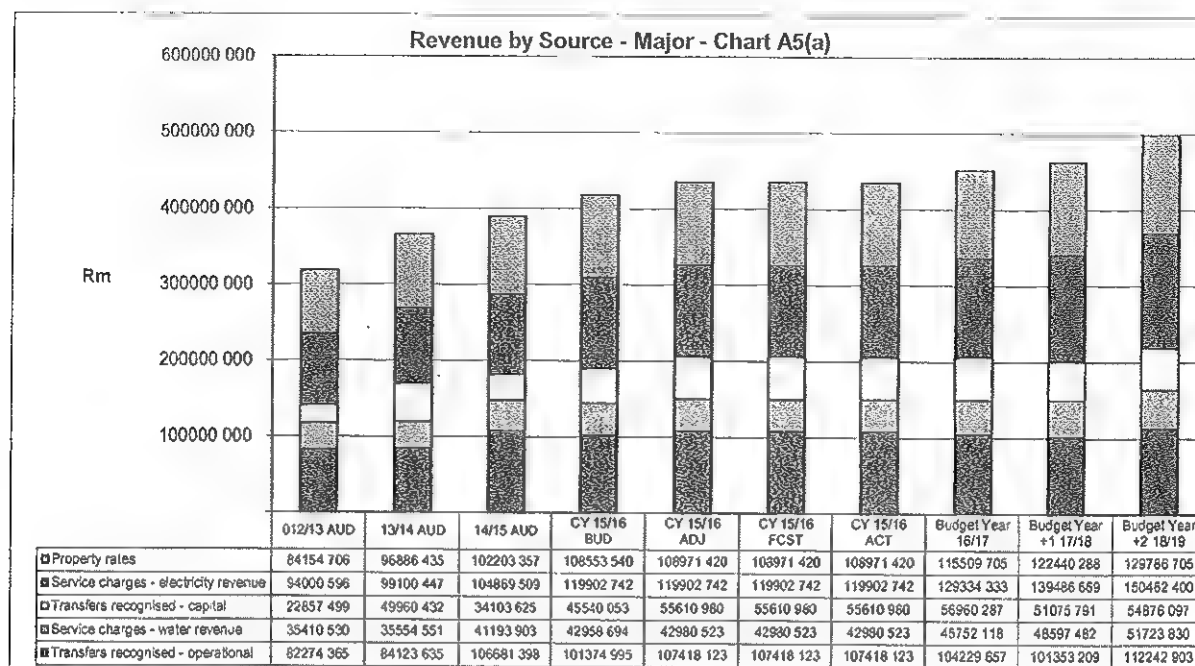
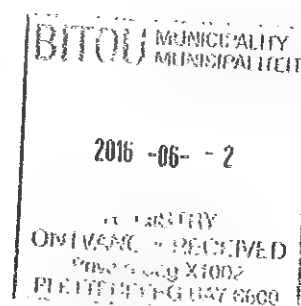


Figure 7 Breakdown of operating revenue over the 2016/17 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded Budget. Bitou Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.) are other forms of revenue.

The revenue strategy is a function of key components such as:

- Growth in Bitou Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 94.0% annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.



The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the Final Draft 2016/17 MTREF on the different revenue categories are reflected in the table below, the outer years of the MTREF reflect the tariff increases closer to National Treasury growth parameters for the outer years and do not necessarily reflect the increases to be determined for the outer years:

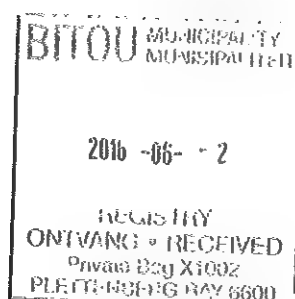
Table 34 Proposed tariff increases over the medium-term

Revenue category	2016/17 proposed tariff increase	2017/18 proposed tariff increase	2018/19 proposed tariff increase
	%	%	%
Property rates	6.00	6.00	6.00
Sanitation	6.00	6.00	6.00
Solid Waste	9.00	9.00	9.00
Water	6.00	6.00	6.00
Electricity	7.64	7.64	7.64

The tables below provide detail investment information and investment particulars by maturity.

Table 35 MBRR SA15 – Detail Investment Information

Investment type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Parent municipality										
Deposits - Bank		15 099	30 645	82 043	27 400	56 466	56 466	36 430	41 540	58 672
Consolidated total:		15 099	30 645	82 043	27 400	56 466	56 466	36 430	41 540	58 672



2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2016/17 medium-term capital programme:

Table 36 Sources of capital revenue over the MTREF

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funded by:											
National Government		13 844	14 004	23 729	26 055	28 128	28 128	28 128	23 906	25 057	22 737
Provincial Government		11 846	29 854	6 698	13 892	18 391	18 391	18 391	26 059	19 746	24 855
District Municipality		-	-	295	1 066	2 263	2 263	2 263	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	25 690	43 859	30 722	41 013	48 782	48 782	48 782	49 965	44 803	47 602
Public contributions & donations	5	142	2 309	673	1 316	1 316	1 316	1 316	-	-	-
Borrowing	6	8 350	18 374	9 987	21 987	20 367	20 367	20 367	27 498	25 631	23 181
Internally generated funds		216	5 323	14 115	25 554	31 773	31 773	31 773	38 601	33 754	28 746
Total Capital Funding	7	34 399	69 865	55 497	69 870	102 237	102 237	102 237	116 064	104 189	99 529

The above table is graphically represented as follows for the 2016/17 financial year.

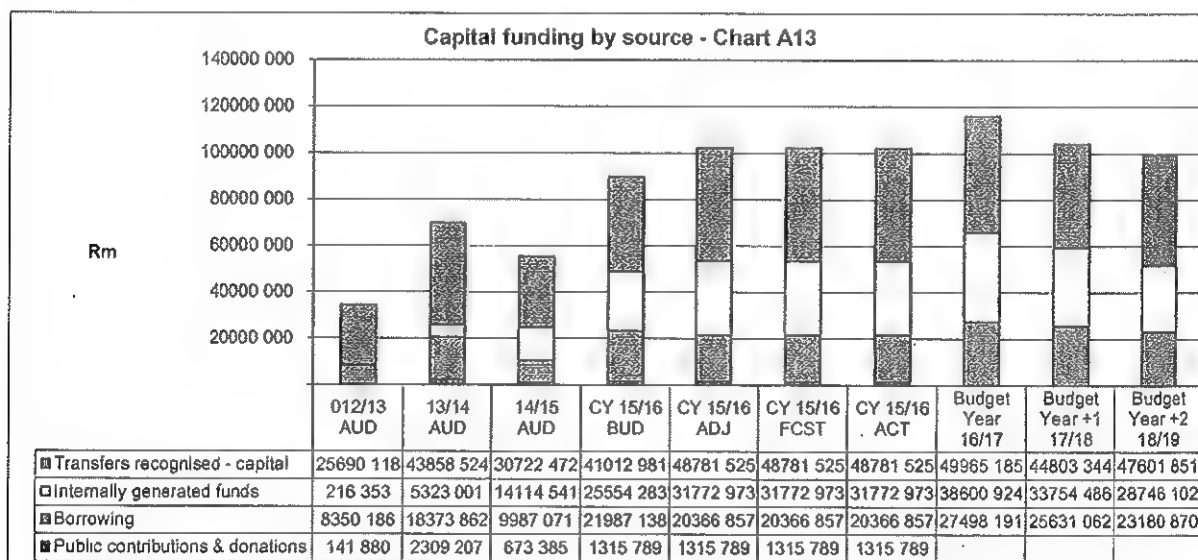
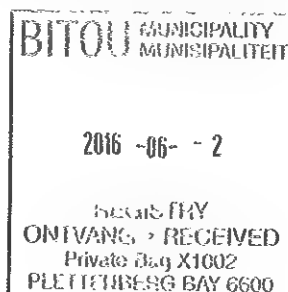


Figure 8 Sources of capital revenue for the 2016/17 financial year

Capital grants and receipts equates to 43.0% of the total funding source which represents R 49,9 million for the Final Draft 2016/17 financial year and decreases to R 44, 8 million in 2017/18 and slightly further increase to R 47, 6 million 2018/19.

Borrowing is the third funding source for the capital programme over the medium-term with an estimated R 25, 0 million to be raised for Final Draft 2016/17 and R 25, 6 in 2017/18 financial years totalling 23.7% and 24.6% of the total funding of the Final Draft capital Budget for 2016/17 and 2017/18 financial years. As explained earlier, the borrowing capacity of Bitou Municipality is almost at its limits and going forward borrowing limits will remain constant until such time that financial recovery reaches completion.



The following table is a detailed analysis of Bitou Municipality's borrowing liability.

Table 37 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorised by type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parent municipality										
Long-Term Loans (annuity/reducing balance)		115 533	120 335	119 823	124 030	121 610	121 610	130 675	137 668	140 437
Financial Leases		1 074	210	165	-	2 050	2 050	168	-	3 751
Total Borrowing	1	116 607	120 545	119 988	124 030	123 659	123 659	130 842	137 668	144 189

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	2 907	2 867	-	2 500	2 500	-	-	-
Total Unspent Borrowing	1	-	2 907	2 867	-	2 500	2 500	-	-	-

The following graph illustrates the growth and decline in outstanding borrowing for the 2012/13 to 2018/19 period.

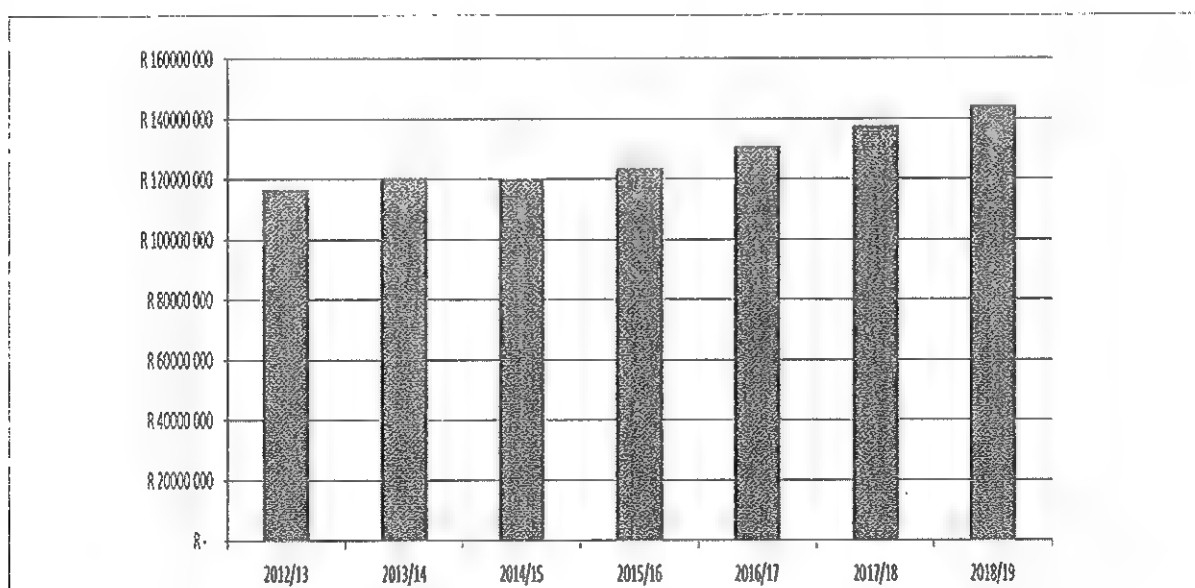


Figure 9 Growth / Decline in outstanding borrowing (long-term liabilities)

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow Budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds have been a limited source of capital funding for the last few financial years and it is also used conservatively going forward as the municipality needs to build reserves to fund future capital requirements.

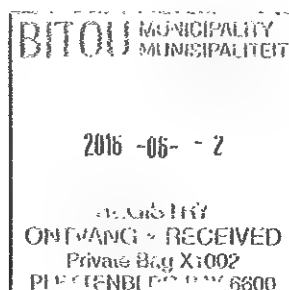


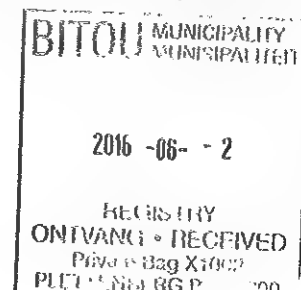
Table 38 MBRR Table SA 18 - Capital transfers and grant receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		26 425	32 804	45 013	60 730	60 730	60 730	67 579	76 117	84 585
Local Government Equitable Share		23 375	29 614	40 946	57 298	57 298	57 298	64 235	74 567	83 036
Finance Management		1 250	1 300	1 450	1 450	1 450	1 450	1 475	1 550	1 550
Municipal Systems Improvement		800	690	946	930	930	930	-	-	-
EPWP Incentive		1 000	1 000	1 671	1 052	1 052	1 052	1 869	-	-
Provincial Government:		418	768	1 299	100	150	150	220	340	472
Housing		39 287	46 705	73 255	30 419	22 751	22 751	25 761	14 489	16 154
Proclaimed Roads		33	1 140	100	766	766	766	2 754	-	-
Library Services - Conditional Grant		468	-	2 101	1 471	1 497	1 497	1 444	1 668	1 789
Library Services - MRF Grant		3 439	4 884	6 350	7 853	5 983	5 983	7 193	8 720	9 243
CDW - Operational Support		54	33	35	36	36	36	19	19	19
Thusong Centre		218	218	-	100	100	100	100	100	112
Provincial Management Support Grant		200	550	1 299	-	50	50	120	240	360
District Municipality:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	26 843	33 572	46 312	60 830	60 880	60 880	67 799	76 457	85 058
Capital Transfers and Grants										
National Government:		15 368	16 229	26 914	29 703	32 203	32 203	27 253	28 555	26 530
Municipal Infrastructure Grant (MIG)		14 655	14 845	18 914	19 622	22 122	22 122	19 253	20 555	21 530
Integrated National Electrification Program (INEG)		500	-	5 000	7 000	7 000	7 000	6 000	8 000	5 000
ACP		-	1 104	3 000	3 081	3 081	3 081	-	-	-
Neighbourhood Development Partnership		213	-	-	-	-	-	-	-	-
Municipal Drought Relief		-	-	-	-	-	-	-	-	-
Eskom Demand Side Management		-	280	-	-	-	-	-	-	-
RBG		-	-	-	-	-	-	-	-	-
Provincial Government:		-	525	206	134	134	134	160	-	-
Housing		-	18 589	6 115	14 611	18 962	18 962	28 514	22 511	28 346
Sport and Recreation Facilities		200	-	-	-	-	-	-	-	-
Library Services - MRF Grant		-	320	228	-	1 870	1 870	1 033	-	-
Internal Audit Grant		-	-	150	-	-	-	-	-	-
Library Services - Conditional Grant		-	625	206	134	134	134	160	-	-
District Municipality:		13 835	329	-	1 066	2 587	2 587	-	-	-
Emergency Funding NDMC		13 835	329	-	1 066	2 587	2 587	-	-	-
		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	29 203	17 083	27 120	30 929	34 924	34 924	27 413	28 565	26 530
TOTAL RECEIPTS OF TRANSFERS & GRANTS		56 046	50 655	73 432	91 759	95 804	95 804	95 212	105 022	111 588

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the Budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and



- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

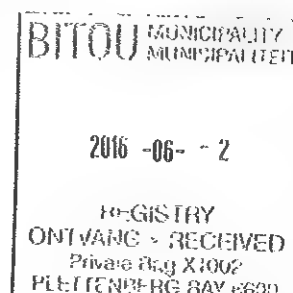
Table 39 MBRR Table A 7 – Budgeted Cash flows

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		76 169	90 809	96 221	103 413	103 445	103 445	103 445	109 949	116 546	123 539
Service charges		162 736	174 990	189 405	257 537	208 940	208 940	208 940	225 485	242 831	262 030
Other revenue		21 578	15 253	37 056	21 139	27 877	27 877	27 877	29 015	30 261	31 569
Government - operating	1	70 291	86 613	127 197	101 375	91 913	91 913	91 913	104 230	101 353	112 243
Government - capital	1	29 236	35 712	34 777	45 540	55 756	55 756	55 756	56 860	51 076	54 876
Interest		6 383	7 006	10 059	7 062	7 801	7 801	7 801	8 807	9 354	9 937
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(299 547)	(317 358)	(362 880)	(440 607)	(413 004)	(413 004)	(413 004)	(429 795)	(440 909)	(454 527)
Finance charges		(13 864)	(19 309)	(21 177)	(15 078)	(15 314)	(15 314)	(15 314)	(15 318)	(16 672)	(18 120)
Transfers and Grants	1	(1 779)	(1 948)	(3 043)	(4 127)	(4 200)	(4 200)	(4 200)	(3 632)	(3 738)	(3 844)
NET CASH FROM/(USED) OPERATING ACTIVITIES		51 263	71 769	107 616	76 256	63 214	63 214	63 214	85 702	90 102	107 704
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	210	210	210	223	236	250
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		78	76	77	-	19	19	19	-	-	-
Decrease (increase) in non-current investments		(302)	(302)	(302)	5 182	-	-	-	-	-	-
Payments											
Capital assets		(40 758)	(69 665)	(55 497)	(88 926)	(101 839)	(101 839)	(101 839)	(115 473)	(104 991)	(99 308)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(40 983)	(70 091)	(55 723)	(83 744)	(101 611)	(101 611)	(101 611)	(115 251)	(104 754)	(99 058)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/re-financing		13 795	16 720	10 000	21 987	25 160	25 160	25 160	24 999	25 631	28 341
Increase (decrease) in consumer deposits		748	309	73	346	74	74	74	75	76	77
Payments											
Repayment of borrowing		(11 175)	(11 738)	(12 515)	(13 908)	(14 615)	(14 615)	(14 615)	(17 128)	(17 815)	(18 806)
NET CASH FROM/(USED) FINANCING ACTIVITIES		3 369	5 291	(2 442)	8 425	10 618	10 618	10 618	7 944	7 892	9 612
NET INCREASE/ (DECREASE) IN CASH HELD		13 589	6 969	49 451	938	(27 779)	(27 779)	(27 779)	(21 604)	(6 761)	18 258
Cash/cash equivalents at the year begin	2	28 620	42 208	49 177	61 986	98 628	98 628	98 628	70 849	49 245	42 484
Cash/cash equivalents at the year end	2	42 208	49 177	98 628	62 924	70 849	70 849	70 849	49 245	42 484	60 742

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal Budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the Budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?



A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's Budget must be 'funded'. Bitou municipality is in compliance with section 18 because there is a surplus which indicates that the Final Draft annual Budget is appropriately funded. It is also important to analyse trends to understand the consequences, from 2012/13 financial year there was a surplus, meaning the Budget has been funded from that financial year. The Final Draft MTREF shows an increase in the surplus over the three years and it is very important that this is maintained year on year. For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.

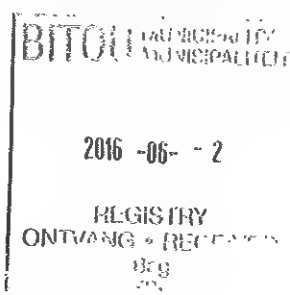
Table 40 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
Cash and Investments available											
Cash/cash equivalents at the year end	1	42 208	49 177	98 628	62 924	70 849	70 849	70 849	49 245	42 484	60 742
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	4 578	4 880	-	-	-	-	-	-	-	-
Cash and Investments available:		46 786	54 057	98 628	62 924	70 849	70 849	70 849	49 245	42 484	60 742
Application of cash and Investments											
Unspent conditional transfers		24 964	518	15 169	-	-	-	-	300	300	300
Unspent borrowing		-	2 907	2 867	-	2 500	2 500	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(14 251)	(8 778)	(13 135)	(12 447)	(9 646)	(9 646)	(9 646)	(9 459)	(12 313)	(23 117)
Other provisions		-	-	-	-	-	-	-	6 430	7 240	16 272
Long term investments committed	4	4 578	4 880	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	5 000	7 500	25 000	27 400	29 900	29 900	41 400	29 700	34 000	42 100
Total Application of cash and Investments:		20 290	7 627	29 900	14 953	22 754	22 754	31 754	26 971	29 227	35 558
Surplus(shortfall)		26 496	47 031	68 728	47 971	48 094	48 094	39 094	22 274	13 257	25 187

From the above table the Final Draft MTREF therefore provides for a Budgeted cash surplus of R287, 0 million, R20, 4 million and R 41, 4 million in each of the financial years. This surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year- end obligations.

It can be concluded that Bitou Municipality has a surplus against the cash backed and accumulated surpluses reconciliation. The challenge for Bitou Municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.



The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.

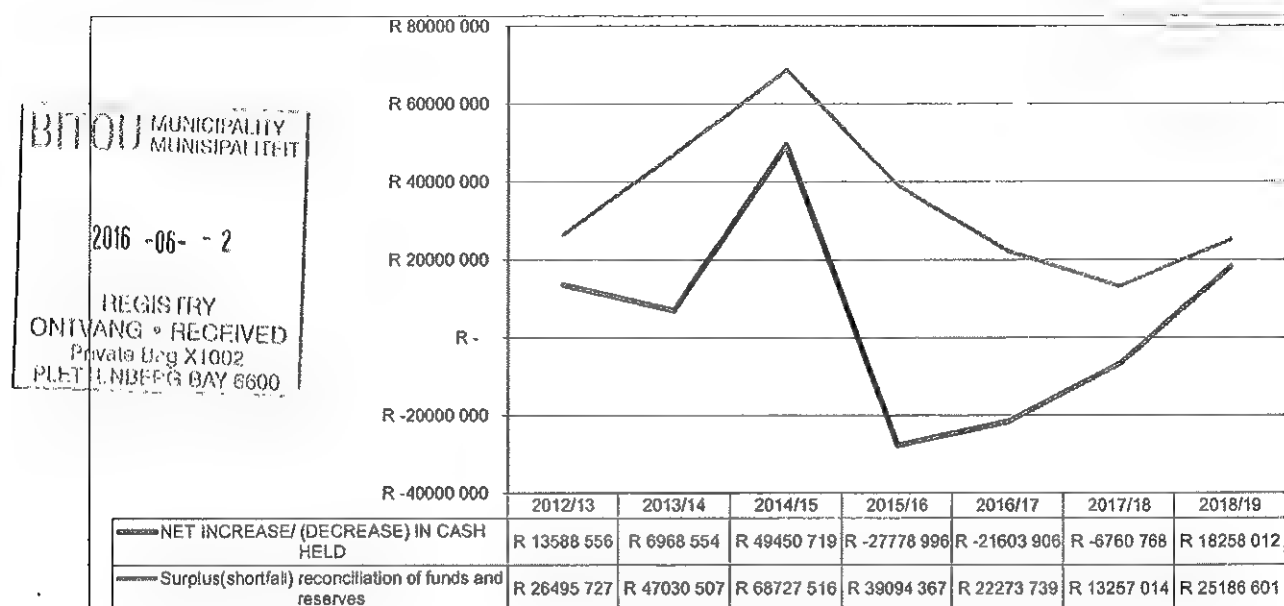


Figure 10 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the Final Draft Budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed Budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 41 MBRR SA10 – Funding compliance measurement

Description	MFMA section	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2015/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	42 208	49 177	98 628	62 924	70 849	70 849	70 849	49 245	42 484	60 742
Cash + investments at the yr end less applications - R'000	18(1)b	2	26 496	47 031	68 728	47 971	48 094	48 094	39 094	22 274	13 257	25 187
Cash year end/monthly employees/supplier payments	18(1)b	3	2.0	1.9	3.6	2.0	2.2	2.2	2.2	1.5	1.2	1.7
Surplus/(Deficit) excluding depreciation offsets - R'000	18(1)	4	45 295	64 338	53 707	44 097	48 911	48 911	48 911	48 058	50 730	73 718
Service charge rev. % change - macro CPX target exclusive	18(1)a(2)	5	N.A.	1.4%	1.4%	2.9%	(5.5%)	(6.0%)	(6.0%)	1.4%	1.1%	1.3%
Cash receipts % of Ratepayer & Other revenue	18(1)a(2)	6	90.2%	83.2%	94.2%	101.2%	88.6%	88.6%	88.6%	90.4%	90.4%	90.5%
Debt impairment expense as a % of total billable revenue	18(1)a(2)	7	4.4%	8.0%	8.0%	11.3%	11.2%	11.2%	11.2%	9.0%	8.9%	6.0%
Capital payments % of capital expenditure	18(1)c	8	118.5%	100.0%	100.0%	98.9%	99.6%	99.6%	99.6%	99.5%	100.8%	99.8%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	158.4%	64.3%	40.4%	45.0%	47.1%	47.1%	47.1%	37.6%	43.2%	54.6%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								99.5%	100.0%	100.0%
Current consumer debtors % change - inc/(dec)	18(1)a	11	N.A.	26.3%	(8.5%)	25.6%	(18.8%)	0.0%	0.0%	1.2%	0.3%	21.7%
Long term receivables % change - inc/(dec)	18(1)a	12	N.A.	(56.8%)	(68.2%)	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(v)	13	1.5%	1.5%	1.7%	2.5%	2.3%	2.3%	3.4%	3.1%	2.9%	2.8%
Asset renewal % of capital budget	20(1)(v)	14	36.4%	43.5%	20.5%	12.7%	15.9%	15.9%	0.0%	14.9%	13.4%	13.9%

2.6.5.1 Cash/cash equivalent position

Bitou Municipality's forecast cash position was discussed as part of the Budgeted cash flow statement. A 'positive' cash position, for each year of the Final Draft MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the Budgeted cash flow statement.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of Bitou Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. The Municipality must aim to achieve at least three month's cash coverage in the medium term, and then gradually move towards five months coverage. This measure will have to be carefully monitored going forward.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year.

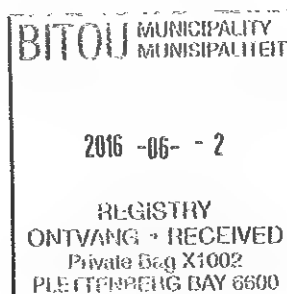
It needs to be noted that a surplus does not necessarily mean that the Budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyze the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the Budget assumptions contained in the Budget.



2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure Budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100% could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. Bitou Municipality has budgeted for all transfers.

2.6.5.11 Consumer debtors change (Current and Non-current)

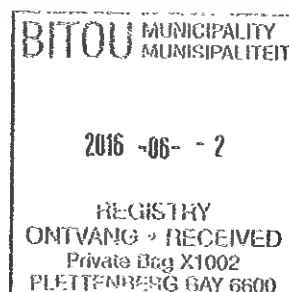
The purpose of these measures is to ascertain whether Budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall Budget is not credible and/or sustainable in the medium to long term because the revenue Budget is not being protected.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital Budget (since MFMA Circular 28 which was issued in December 2005) is to categorize each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarize and understand the proportion of Budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a Budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' Budgets.



2.7 Expenditure on grants and reconciliations of unspent funds

Table 42 MBRR SA19 - Expenditure on transfers and grant programs

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
EXPENDITURE	1									
Operating expenditure of Transfers and Grants										
National Government:		26 927	32 804	44 713	60 730	60 730	60 730	67 579	76 117	84 585
Local Government Equitable Share		23 375	29 614	40 946	57 298	57 298	57 298	64 235	74 567	83 036
Finance Management		1 250	1 300	1 450	1 450	1 450	1 450	1 475	1 550	1 550
Municipal Systems Improvement		800	890	946	930	930	930	-	-	-
EPWP Incentive		1 502	1 000	1 371	1 052	1 052	1 052	1 869	-	-
Provincial Government:		851	835	702	136	983	983	239	359	491
Housing		50 550	46 538	54 544	30 419	35 647	35 647	25 021	14 489	16 154
Proclaimed Roads		532	1 140	100	766	766	766	2 754	-	-
Library Services - Conditional Grant		507	-	994	1 471	2 603	2 603	1 444	1 668	1 769
Library Services - MRF Grant		3 439	4 884	5 644	7 853	6 689	6 689	7 193	8 720	9 243
CDW - Operational Support		67	17	34	36	53	53	19	19	19
Thusong Centre		218	218	20	100	80	80	100	100	112
Provincial Management Support Grant		364	600	648	-	851	851	120	240	360
MMC Kurland		17	-	-	-	-	-	-	-	-
Spatial Planning		184	-	-	-	-	-	-	-	-
Traffic Disaster		1	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants		27 778	33 639	45 415	60 866	61 713	61 713	67 818	76 476	85 077
Capital expenditure of Transfers and Grants										
National Government:		20 791	15 949	27 051	29 703	32 066	32 066	27 253	28 565	26 530
Municipal Infrastructure Grant (MIG)		14 655	14 845	18 914	19 622	22 122	22 122	19 253	20 565	21 530
Integrated National Electrification Program (INEG)		2 461	-	5 137	7 000	6 863	6 863	8 000	8 000	5 000
ACIP		-	1 104	3 000	3 081	3 081	3 081	-	-	-
Neighbourhood Development Partnership		3 675	-	-	-	-	-	-	-	-
Provincial Government:		-	525	800	160	134	134	160	-	-
Housing		-	18 589	6 115	14 611	18 962	18 962	28 514	22 511	28 345
Sport and Recreation Facilities		-	200	-	-	-	-	-	-	-
Library Services - MRF Grant		-	320	228	-	1 870	1 870	1 033	-	-
Internal Audit Grant		-	-	150	-	-	-	-	-	-
Library Services - Conditional Grant		-	525	206	160	134	134	160	-	-
District Municipality:		1 535	12 300	337	1 066	2 579	2 579	-	-	-
Emergency Funding NDMC		1 535	12 300	337	1 066	2 579	2 579	-	-	-
Total capital expenditure of Transfers and Grants		22 326	28 773	27 594	30 929	34 780	34 780	27 413	28 565	26 530
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		50 104	62 413	73 010	91 795	96 493	96 493	95 231	105 041	111 607

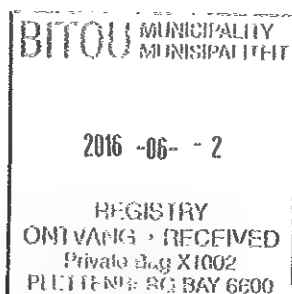
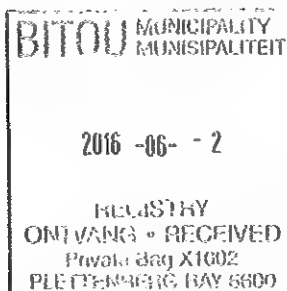


Table 43 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		502	-	-	-	300	300	300	300	300
Current year receipts		26 425	32 804	45 013	60 730	60 730	60 730	67 579	76 117	84 586
Conditions met - transferred to revenue		26 927	32 804	44 713	60 730	60 730	60 730	67 579	76 117	84 586
Conditions still to be met - transferred to liabilities		-	-	300	-	300	300	300	300	300
Provincial Government:										
Balance unspent at beginning of the year		20 990	(6 540)	(6 408)	-	14 746	14 746	(759)	0	0
Current year receipts		43 699	53 529	83 139	40 645	31 183	31 183	37 410	25 236	27 657
Conditions met - transferred to revenue		55 879	53 397	61 985	40 645	46 688	46 688	36 651	25 236	27 657
Conditions still to be met - transferred to liabilities		8 810	(6 408)	14 746	-	(759)	(759)	0	0	0
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue		82 806	86 201	106 698	101 375	107 418	107 418	104 230	101 353	112 243
Total operating transfers and grants - CTBM	2	8 810	(6 408)	15 046	-	(459)	(459)	300	300	300
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		5 143	(280)	(0)	-	(137)	(137)	(0)	(0)	(0)
Current year receipts		15 368	16 229	26 914	29 703	32 203	32 203	27 253	28 585	28 530
Conditions met - transferred to revenue		20 791	15 949	27 051	29 703	32 066	32 066	27 253	28 585	28 530
Conditions still to be met - transferred to liabilities		(280)	(0)	(137)	-	(0)	(0)	(0)	(0)	(0)
Provincial Government:										
Balance unspent at beginning of the year		-	200	-	-	-	-	-	-	-
Current year receipts		200	19 435	6 699	14 771	20 966	20 966	29 707	22 511	28 346
Conditions met - transferred to revenue		-	19 635	6 699	14 771	20 966	20 966	29 707	22 511	28 346
Conditions still to be met - transferred to liabilities		200	-	-	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	12 300	329	-	(8)	(8)	(0)	(0)	(0)
Current year receipts		13 835	329	-	1 066	2 587	2 587	-	-	-
Conditions met - transferred to revenue		1 535	12 300	337	1 066	2 579	2 579	-	-	-
Conditions still to be met - transferred to liabilities		12 300	329	(8)	-	(0)	(0)	(0)	(0)	(0)
Other grant providers:										
Total capital transfers and grants revenue		22 326	47 883	34 037	45 540	55 611	55 611	56 960	51 076	54 676
Total capital transfers and grants - CTBM	2	12 220	329	(145)	-	(0)	(0)	(0)	(0)	(0)
TOTAL TRANSFERS AND GRANTS REVENUE		105 132	134 084	140 735	146 915	163 029	163 029	161 190	152 429	167 119
TOTAL TRANSFERS AND GRANTS - CTBM		21 030	(6 079)	14 901	-	(459)	(459)	300	300	300



2.8 Councillors and employee benefits

Table 44 MBRR SA22 - Summary of councillors and staff benefits

Summary of Employee and Councillor remuneration	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		2 663	3 272	3 272	3 605	3 605	3 605	3 853	4 104	4 370
Pension and UIF Contributions		107	129	150	165	165	165	179	191	203
Medical Aid Contributions		79	87	91	97	97	97	92	98	104
Motor Vehicle Allowance		729	550	447	521	521	521	556	592	631
Cellphone Allowance		203	232	330	338	338	338	339	361	385
Housing Allowances		263	240	477	562	562	562	576	613	653
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		4 043	4 710	4 767	5 289	5 289	5 289	5 595	5 959	6 346
% Increase	4		16.5%	1.2%	11.0%	-	-	5.8%	6.5%	6.5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 684	6 087	5 958	5 621	6 037	6 037	7 689	8 187	8 720
Pension and UIF Contributions		401	711	466	466	622	622	633	674	717
Medical Aid Contributions		240	424	131	124	176	176	156	162	172
Overtime		19	62	59	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	288	538	1 031	1 230	1 256	1 256	1 243	1 324	1 410
Cellphone Allowance	3	58	113	137	-	108	108	164	175	186
Housing Allowances	3	26	37	43	128	128	128	-	-	-
Other benefits and allowances	3	80	183	(1)	1 199	897	897	28	30	32
Payments in lieu of leave		990	169	181	-	-	-	-	-	-
Long service awards		28	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	413	-	267	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6 228	8 325	8 268	8 769	9 224	9 224	9 912	10 551	11 237
% Increase	4		33.7%	(0.7%)	6.1%	5.2%	-	7.5%	6.4%	6.5%
Other Municipal Staff										
Basic Salaries and Wages		61 679	71 628	78 590	102 573	100 532	100 532	112 873	125 887	135 837
Pension and UIF Contributions		8 701	9 893	11 676	15 930	15 310	15 310	17 343	19 151	20 700
Medical Aid Contributions		7 978	8 368	9 697	15 302	14 351	14 351	16 081	17 234	18 306
Overtime		4 026	5 485	6 404	3 161	6 996	6 996	3 657	3 855	3 838
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	5 005	5 347	5 151	8 209	7 488	7 488	8 345	9 233	9 891
Cellphone Allowance	3	647	807	890	1 093	844	844	1 019	1 088	1 158
Housing Allowances	3	531	436	383	1 038	1 415	1 415	1 917	2 065	2 131
Other benefits and allowances	3	3 563	7 158	5 802	4 052	6 400	6 400	6 488	7 061	7 495
Payments in lieu of leave		2 036	3 625	1 986	3 034	2 958	2 958	3 382	3 769	4 067
Long service awards		589	713	513	727	727	727	757	787	-
Post-retirement benefit obligations	6	7 955	9 245	4 681	10 137	9 886	9 886	13 536	15 376	17 090
Sub Total - Other Municipal Staff		102 711	122 705	125 722	165 307	166 908	166 908	185 399	205 518	220 513
% Increase	4		19.5%	2.5%	31.4%	1.0%	-	11.1%	10.9%	7.3%
TOTAL SALARY, ALLOWANCES & BENEFITS		112 982	135 741	138 807	179 365	181 422	181 422	200 906	222 026	238 096
% Increase	4		20.1%	2.3%	29.2%	1.1%	-	10.7%	10.5%	7.2%
TOTAL MANAGERS AND STAFF	5,7	108 939	131 031	134 040	174 076	176 133	176 133	195 311	216 067	231 760

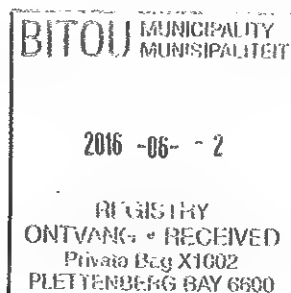


Table 45 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		645 827	—	26 058			671 885
Chief Whip			—		—			—
Executive Mayor			510 486	94 976	227 879			833 341
Deputy Executive Mayor			484 370	—	187 515			671 885
Executive Committee			832 961	75 233	354 848			1 263 042
Total for all other councillors			1 379 947	100 713	674 461			2 155 121
Total Councillors	8	—	3 853 591	270 922	1 470 761			5 595 274
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 236 161	249 997	399 120	—		1 885 278
Chief Finance Officer			1 387 291	28 303	281 355	—		1 696 949
HOD: Community Services			1 182 759	46 452	373 240	—		1 602 451
HOD: Corporate Services			1 257 136	201 040	144 414	—		1 602 590
HOD: Strategic Services			826 899	190 215	505 281	—		1 522 395
HOD: Engineering Services			712 497	151 254	738 933	—		1 602 684
Total Senior Managers of the Municipality	8,10	—	6 602 743	867 261	2 442 343	—		9 912 347
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	—	10 456 334	1 138 183	3 913 104	—		15 507 621

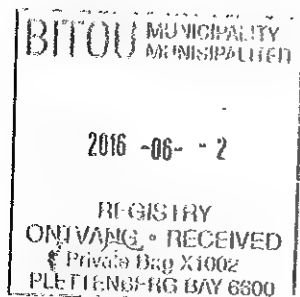
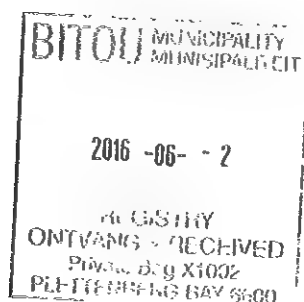


Table 46 MBRR SA24 – summary of personnel numbers

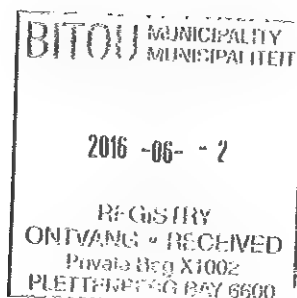
Summary of Personnel Numbers		Ref	2014/15			Current Year 2015/16			Budget Year 2016/17		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			13	13	-	13	13	-	13	-	-
Board Members of municipal entities	4		-	-	-	-	-	-	-	-	-
Municipal employees	5		-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3		6	-	-	6	-	-	6	-	-
Other Managers	7		24	18	-	29	22	5	29	29	-
Professionals			41	19	1	53	38	3	53	53	-
Finance			6	6	-	11	11	-	11	11	-
Spatial/town planning			6	5	-	7	2	-	7	7	-
Information Technology			2	-	-	-	-	-	-	-	-
Roads			-	-	-	1	1	-	1	1	-
Electricity			4	3	-	4	4	-	4	4	-
Water			3	3	-	5	3	-	5	5	-
Sanitation			-	1	-	1	1	-	1	1	-
Refuse			2	1	1	2	2	-	2	2	-
Other			18	-	-	22	14	3	22	22	-
Technicians			6	4	-	8	5	-	9	8	-
Finance			-	-	-	-	-	-	-	-	-
Spatial/town planning			2	1	-	2	1	-	2	2	-
Information Technology			1	-	-	1	-	-	1	1	-
Roads			-	-	-	-	-	-	-	-	-
Electricity			1	1	-	1	1	-	2	1	-
Water			-	-	-	-	-	-	-	-	-
Sanitation			-	-	-	-	-	-	-	-	-
Refuse			-	-	-	-	-	-	-	-	-
Other			2	2	-	4	3	-	4	4	-
Clerks (Clerical and administrative)			296	119	8	271	126	12	271	131	-
Service and sales workers			84	71	4	96	77	2	96	96	-
Skilled agricultural and fishery workers			-	-	-	-	-	-	-	-	-
Craft and related trades			-	-	-	-	-	-	-	-	-
Plant and Machine Operators			64	61	-	71	63	-	71	71	-
Elementary Occupations			194	173	6	219	171	7	219	171	-
TOTAL PERSONNEL NUMBERS			9	728	478	19	766	515	29	767	559
% Increase						5.2%	7.7%	52.6%	0.1%	8.5%	(100.0%)
Total municipal employees headcount			6, 10	728	465	19	766	502	29	767	767
Finance personnel headcount			8, 10	80	49	11	80	62	18	80	74
Human Resources personnel headcount			8, 10	20	6	7	20	6	5	20	20



2.9 Monthly targets for revenue, expenditure and cash flow

Table 47 MBRR A7 – Budgeted cash flow

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		76 169	90 809	96 221	103 413	103 445	103 445	103 445	109 949	116 546	123 539
Service charges		162 736	174 990	189 405	257 537	208 940	208 940	208 940	225 485	242 631	262 030
Other revenue		21 578	15 253	37 056	21 139	27 877	27 877	27 877	29 015	30 261	31 569
Government - operating	1	70 291	85 613	127 197	101 375	91 913	91 913	91 913	104 230	101 353	112 243
Government - capital	1	29 236	35 712	34 777	45 540	55 756	55 756	55 756	56 960	51 076	54 876
Interest		6 383	7 006	10 059	7 062	7 801	7 801	7 801	8 607	9 354	9 937
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(299 547)	(317 358)	(362 680)	(440 607)	(413 004)	(413 004)	(413 004)	(429 795)	(440 909)	(484 527)
Finance charges		(13 864)	(19 309)	(21 177)	(15 076)	(15 314)	(15 314)	(15 314)	(16 318)	(16 672)	(18 120)
Transfers and Grants	1	(1 779)	(1 948)	(3 043)	(4 127)	(4 200)	(4 200)	(4 200)	(3 632)	(3 738)	(3 844)
NET CASH FROM/(USED) OPERATING ACTIVITIES		51 203	71 769	107 616	76 256	63 214	63 214	63 214	85 702	90 102	107 704
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	210	210	210	223	238	250
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		78	76	77	-	19	19	19	-	-	-
Decrease (increase) in non-current investments		(302)	(302)	(302)	5 182	-	-	-	-	-	-
Payments											
Capital assets		(40 758)	(69 665)	(55 497)	(88 926)	(101 839)	(101 839)	(101 839)	(115 473)	(104 991)	(99 308)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(40 983)	(70 091)	(55 723)	(83 744)	(101 611)	(101 611)	(101 611)	(115 251)	(104 754)	(99 058)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		13 795	16 720	10 000	21 937	25 160	25 160	25 160	24 998	25 631	28 341
Increase (decrease) in consumer deposits		748	309	73	346	74	74	74	75	76	77
Payments											
Repayment of borrowing		(11 175)	(11 738)	(12 515)	(13 908)	(14 615)	(14 615)	(14 615)	(17 128)	(17 815)	(18 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES		3 369	5 291	(2 442)	8 425	10 618	10 618	10 618	7 944	7 892	9 812
NET INCREASE/ (DECREASE) IN CASH HELD		13 589	6 969	49 451	938	(27 779)	(27 779)	(27 779)	(21 604)	(9 761)	18 258
Cash/cash equivalents at the year begin:	2	28 620	42 208	49 177	61 985	98 628	98 628	98 628	70 849	49 245	42 484
Cash/cash equivalents at the year end:	2	42 208	49 177	98 628	62 924	70 849	70 849	70 849	49 245	42 484	60 742



2016-06-12

Table 48: MBRR SA25 - Budgeted monthly revenue and expenditure

Ref	Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	Revenue By Source															
	Property rates	115 353	(47)	(8)	-	-	1 064	-	(454)	8	(9)	(288)	(139)	115 510	122 440	129 787
	Property rates - penalties & collection charges	108	110	112	149	141	139	148	102	135	134	-	(3)	1 275	1 352	1 433
	Service charges - electricity revenue	12 032	11 481	10 959	10 397	9 838	10 806	14 543	11 904	9 801	10 217	10 294	7 053	129 334	139 487	150 482
	Service charges - water revenue	7 152	3 749	3 274	3 030	3 012	3 444	4 516	4 300	3 548	3 404	3 229	3 094	45 752	48 587	51 724
	Service charges - sanitation revenue	48 496	(19)	(1 632)	(858)	(870)	(29)	(1 724)	(1 077)	163	(3 765)	(368)	(482)	38 805	41 355	44 427
	Service charges - refuse revenue	34 081	(147)	(785)	(465)	(478)	1	(959)	(78)	(48)	(4 770)	(361)	(376)	25 512	28 449	31 708
	Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rental of facilities and equipment	127	116	117	130	115	138	115	123	121	137	121	79	1 440	1 515	1 605
	Interest earned - external investments	209	242	424	282	829	279	516	438	841	438	516	1 053	5 828	6 178	6 549
	Interest earned - outstanding debtors	178	218	258	275	278	292	335	359	291	358	166	154	3 163	3 374	3 599
	Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Fines	537	560	531	535	548	509	554	781	952	439	694	15 377	22 016	23 116	24 239
	Licences and permits	488	501	501	501	512	525	503	498	512	503	499	500	6 052	6 058	6 064
	Agency services	7	429	6	204	84	140	(967)	1 438	(201)	197	167	(285)	1 219	1 293	1 370
	Transfers recognised - operational	30 829	2 177	1 807	3 393	24 720	2 479	83	5 448	20 434	3 435	5 961	3 484	104 230	101 353	112 243
	Other revenue	1 228	545	851	1 103	636	1 105	584	1 019	845	6 265	530	(1 685)	13 026	13 755	14 518
	Gains on disposal of PPE	-	-	-	-	-	-	-	-	223	-	-	-	223	236	260
	Total Revenue (excluding capital transfers and contributions)	250 835	19 915	16 415	18 577	39 363	20 920	18 246	25 771	37 032	16 982	21 486	27 823	513 486	538 567	579 977
	Expenditure By Type															
	Employee related costs	14 018	14 579	15 047	15 834	24 043	15 286	16 481	16 039	15 646	15 537	16 518	15 481	195 309	216 086	231 748
	Remuneration of councillors	466	466	466	466	466	466	466	466	466	466	466	466	5 597	5 960	6 348
	Debt impairment	4 283	5 579	5 579	5 579	5 579	5 337	1 306	4 040	4 040	4 040	4 654	(18 015)	31 999	34 022	24 436
	Depreciation & asset impairment	1 894	1 894	1 894	1 894	1 894	1 894	1 894	1 894	1 894	1 894	1 894	1 894	22 731	25 459	28 514
	Finance charges	115	123	120	110	125	7 318	118	111	114	110	118	8 834	15 318	16 672	18 120
	Bulk purchases	1 385	12 208	10 474	6 650	5 693	6 080	7 997	6 873	5 599	6 153	5 495	15 188	89 994	92 720	96 537
	Other materials	118	141	549	277	526	489	347	351	363	184	465	445	4 257	4 448	4 603
	Contracted services	720	1 653	1 643	1 779	2 038	1 310	2 720	1 669	2 286	1 821	1 596	3 544	22 769	20 113	20 169
	Transfers and grants	1 271	11	11	11	1 271	11	641	11	11	11	11	361	3 632	3 738	3 844
	Other expenditure	4 711	11 556	14 476	9 308	10 895	17 072	14 972	10 822	18 327	(26 122)	12 940	31 827	130 783	119 745	126 819
	Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenditure	28 980	48 210	50 259	41 710	52 730	56 263	46 942	42 278	48 746	4 095	44 149	58 028	522 388	538 942	561 135
	Surplus/(Deficit)	221 855	(28 295)	(33 843)	(23 033)	(13 367)	(35 343)	(28 696)	(16 507)	(11 694)	12 887	(22 663)	(30 205)	(8 902)	(345)	18 841
	Transfers recognised - capital	1 239	1 102	1 574	6 940	3 738	1 928	939	8 289	2 561	2 563	2 786	23 282	56 960	51 076	54 876
	Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Surplus/(Deficit) after capital transfers & contributions	223 094	(27 192)	(32 269)	(16 093)	(9 629)	(33 415)	(27 757)	(8 218)	(9 133)	15 470	(19 877)	(6 923)	48 058	50 730	73 718
	Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Share of surplus/ (deficit) of associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Surplus/(Deficit)	223 094	(27 192)	(32 269)	(16 093)	(9 629)	(33 415)	(27 757)	(8 218)	(9 133)	15 470	(19 877)	(6 923)	48 058	50 730	73 718

Table 49 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote																
Council																
Office of the Municipal Manager		28 772	195	191	211	22 428	1 854	-	1 106	566	-	79	0	2 499	2 620	2 747
Community Services		37 485	3 536	2 111	9 040	3 204	9 521	(642)	7 591	8 433	266	6 307	40 636	30 794	33 457	37 194
Corporate Services		10	10	60	10	10	199	10	10	77	10	18	11	127 468	116 870	130 598
Financial Services		115 727	425	615	998	1 064	6 517	750	181	1 821	581	799	1 244	435	555	675
Strategic Services		281	312	281	348	295	723	369	717	308	633	316	230	130 721	139 188	147 863
Engineering Services		69 798	16 539	14 732	15 009	16 101	33 621	18 608	24 455	22 562	17 647	16 488	8 135	4 814	5 107	5 414
Total Revenue by Vote		252 074	21 018	17 990	25 616	43 102	22 848	19 186	34 060	39 613	19 565	24 271	51 105	570 446	589 673	634 853
Expenditure by Vote to be appropriated																
Council																
Office of the Municipal Manager		492	568	534	506	503	529	515	528	498	489	530	650	6 352	6 883	7 088
Community Services		998	1 219	1 366	1 480	1 809	1 377	1 846	1 652	1 406	1 635	2 281	3 731	20 790	22 228	23 494
Corporate Services		9 119	10 677	10 945	10 556	13 920	12 621	11 112	11 344	10 121	10 034	9 740	25 287	145 475	142 400	152 013
Financial Services		(1 127)	5 425	8 202	3 208	3 489	8 488	5 984	2 323	10 757	(34 323)	5 159	13 959	31 513	34 001	36 044
Strategic Services		4 883	4 935	5 157	5 341	6 967	6 955	8 985	3 062	6 256	4 323	4 802	3 618	65 083	67 846	71 773
Engineering Services		2 843	1 725	1 750	1 761	3 735	2 897	2 441	3 950	1 924	2 147	1 730	3 439	30 343	33 310	36 412
Total Expenditure by Vote		11 972	23 680	22 313	18 659	22 307	23 426	16 060	19 418	17 784	19 790	19 908	7 335	222 832	232 664	234 311
Surplus/(Deficit) before assoc.		28 980	48 210	50 259	41 710	52 730	56 263	46 942	42 278	48 746	4 095	44 149	58 028	522 388	538 942	561 138
Taxation		223 094	(27 192)	(32 269)	(16 093)	(9 628)	(33 415)	(27 757)	(9 218)	(9 133)	15 470	(19 877)	(6 923)	48 058	50 730	73 718
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	223 094	(27 192)	(32 269)	(16 093)	(9 628)	(33 415)	(27 757)	(9 218)	(9 133)	15 470	(19 877)	(6 923)	48 058	50 730	73 718

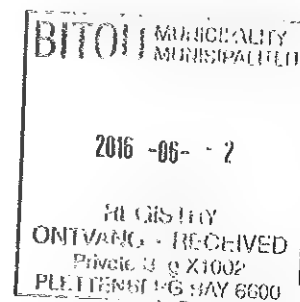


Table 50 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Ref	Description	R thousand	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	Revenue - Standard																
	Governance and administration																
	Executive and council	144 579	686	924	1 288	23 558	(20 964)	901	1 349	8 369	1 083	1 220	2 125	165 120	175 529	189 220	
	Budget and treasury office	248	302	492	418	627	2 345	517	1 379	963	758	1 035	1 194	10 279	8 884	9 386	
	Corporate services	115 516	174	182	713	226	6 235	225	(261)	1 323	131	(62)	167	124 569	132 680	140 951	
	Community and public safety																
	Community and social services	28 816	210	250	158	22 705	(29 546)	159	230	6 082	194	247	764	30 272	34 964	38 883	
	Sport and recreation	3 353	3 637	2 838	9 442	3 614	3 558	243	7 594	7 094	4 978	6 425	40 962	93 739	78 994	88 393	
	Public safety	638	937	650	915	1 062	803	100	1 955	646	614	709	1 067	10 097	10 665	11 279	
	Housing	32	33	32	271	35	44	43	32	32	34	32	32	650	682	717	
	Health	1 040	1 487	1 035	1 237	1 131	1 165	85	2 750	1 270	1 136	1 359	15 589	29 285	30 465	31 704	
	Economic and environmental services																
	Planning and development	1 643	1 180	1 122	7 019	1 386	1 546	14	2 857	5 146	3 194	4 325	24 274	53 707	37 182	44 693	
	Road transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Trading services																
	Electricity	103 930	16 438	14 005	14 608	15 690	39 584	17 723	24 452	21 146	12 935	16 371	7 809	304 689	329 740	352 587	
	Water	12 167	11 568	11 362	10 812	11 113	19 266	15 501	16 064	11 771	12 480	10 636	7 273	150 030	162 038	171 558	
	Waste water management	8 345	4 861	4 857	4 921	5 653	10 308	4 654	8 302	6 829	6 076	6 076	3 489	74 366	79 709	84 808	
	Waste management	49 286	110	(1 507)	(723)	(665)	4 047	(1 546)	89	1 208	(909)	(219)	(2 627)	45 544	50 119	53 997	
	Other	34 132	(101)	(728)	(402)	(410)	5 963	(885)	(3)	1 339	(4 712)	(118)	(326)	33 749	37 875	42 205	
	Total Revenue - Standard	252 074	21 018	17 990	25 616	43 102	22 848	19 186	34 080	39 613	19 565	24 271	31 105	570 446	589 673	634 853	
	Expenditure - Standard																
	Governance and administration																
	Executive and council	6 190	13 646	16 378	11 795	14 380	19 268	18 569	9 079	20 531	(26 682)	14 415	24 686	142 235	150 016	158 917	
	Budget and treasury office	2 295	2 833	2 668	2 644	3 217	4 633	4 520	2 938	2 418	2 855	2 348	3 158	36 529	38 191	40 419	
	Corporate services	3 742	3 708	3 708	3 766	5 330	3 580	5 036	1 894	2 826	2 997	3 598	1 297	41 771	42 676	45 253	
	Community and public safety																
	Community and social services	154	7 105	9 705	5 385	5 833	11 055	9 012	4 247	15 286	(32 535)	8 478	20 211	63 936	69 148	73 244	
	Sport and recreation	7 621	8 613	8 195	8 694	11 519	9 986	8 993	9 523	8 263	8 258	7 965	21 438	119 068	115 015	122 653	
	Public safety	1 148	1 441	1 287	1 295	1 850	1 650	1 289	1 475	1 401	1 241	1 621	1 832	17 588	17 339	18 297	
	Housing	1 317	1 396	1 396	1 659	2 378	1 929	1 870	1 748	1 616	1 374	1 413	1 495	19 593	22 935	24 527	
	Health	2 643	3 201	2 949	3 174	4 516	3 645	3 277	3 751	2 697	3 094	2 385	15 334	50 666	53 315	56 151	
	Economic and environmental services																
	Planning and development	2 512	2 575	2 563	2 566	2 775	2 762	2 557	2 550	2 550	2 548	2 546	2 717	31 221	21 426	23 678	
	Road transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Trading services																
	Electricity	11 484	22 872	22 630	17 777	19 357	21 392	15 313	18 185	16 771	16 583	17 093	(90)	199 367	209 223	209 199	
	Water	7 110	18 031	16 247	12 726	12 543	13 775	10 233	12 736	11 309	11 810	11 478	(11 412)	126 585	130 801	129 018	
	Waste water management	1 775	1 811	2 487	1 897	2 844	3 256	1 887	2 446	2 451	1 851	2 568	5 327	30 601	33 118	33 452	
	Waste management	1 271	1 389	1 313	1 461	1 751	1 892	1 245	1 325	1 392	1 312	1 440	2 316	18 069	20 055	19 645	
	Other	1 328	1 641	2 583	1 692	2 219	2 469	1 948	1 649	1 687	1 610	1 608	3 678	24 112	25 250	27 084	
	Total Expenditure - Standard	28 980	48 210	50 259	41 710	52 730	56 263	46 942	42 278	48 746	4 095	44 149	58 028	522 388	538 942	561 135	
1	Surplus/(Deficit)	223 094	(27 192)	(32 269)	(16 093)	(9 628)	(33 415)	(27 757)	(8 218)	(9 133)	15 470	(19 877)	(6 923)	48 058	50 730	73 718	

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Table 51 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Multi-year expenditure to be appropriated	1															
Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Services		-	600	4 750	200	1 860	250	-	660	50	-	-	-	8 370	2 270	200
Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Strategic Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Engineering Services		-	474	2 423	5 508	2 060	2 803	1 370	4 893	3 697	3 049	1 794	222	28 293	43 942	47 700
Capital multi-year expenditure sub-total	2	-	1 074	7 173	5 708	3 920	3 053	1 370	5 553	3 747	3 049	1 794	222	35 663	46 212	47 900
Single-year expenditure to be appropriated																
Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office of the Municipal Manager		-	2	50	-	-	-	50	-	-	-	-	-	102	-	-
Community Services		-	480	689	290	2 081	742	628	628	791	791	791	791	8 710	5 372	4 703
Corporate Services		-	7	105	-	240	-	-	50	-	-	-	-	402	-	-
Financial Services		50	300	365	230	230	-	-	-	200	-	-	-	1 375	1 850	1 100
Strategic Services		-	600	5	1 700	800	-	-	-	900	-	-	-	4 005	-	-
Engineering Services		-	8 735	6 532	8 025	6 701	7 741	4 958	10 176	5 278	2 662	2 180	1 819	64 807	50 755	45 826
Capital single-year expenditure sub-total	2	50	10 124	7 756	10 245	10 052	8 483	5 636	10 854	7 189	3 453	2 971	2 610	79 401	57 977	51 629
Total Capital Expenditure	2	50	11 198	14 929	15 952	13 972	11 535	7 006	16 407	10 916	6 502	4 765	2 832	116 064	104 189	99 529

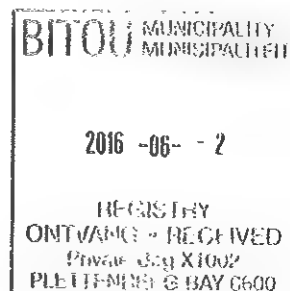


Table 52 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Capital Expenditure - Standard	1															
Governance and administration		50	309	520	230	470	-	50	50	200	-	-	-	1 879	1 630	1 100
Executive and council		-	-	50	-	-	-	50	-	-	-	-	-	100	-	-
Budget and treasury office		-	-	215	-	-	-	-	-	-	-	-	-	215	-	-
Corporate services		50	309	255	230	470	-	-	-	200	-	-	-	1 564	1 650	1 100
Community and public safety		-	1 080	5 449	490	3 528	704	454	1 114	504	454	454	454	14 696	5 789	2 483
Community and social services		-	100	769	290	405	230	-	550	-	-	-	-	2 344	770	-
Sport and recreation		-	300	-	-	188	454	454	454	454	454	454	454	3 667	1 384	1 354
Public safety		-	680	2 550	200	2 010	20	-	110	50	-	-	-	5 620	1 375	540
Housing		-	-	2 129	-	925	-	-	-	-	-	-	-	3 054	2 260	589
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	6 398	4 898	4 394	3 628	4 555	4 127	5 819	5 852	3 738	2 873	1 778	48 061	37 882	40 643
Planning and development		-	-	5	-	-	-	-	-	-	-	-	-	5	-	-
Road transport		-	6 398	4 893	4 394	3 628	4 555	4 127	5 819	5 852	3 738	2 873	1 778	48 056	37 882	40 643
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		-	2 811	4 061	9 139	5 547	6 276	2 374	9 424	3 460	2 309	1 438	600	47 439	58 668	55 303
Electricity		-	1 651	2 026	2 371	1 425	2 232	589	3 182	766	36	36	36	14 348	15 218	11 686
Water		-	556	1 172	2 509	1 811	1 824	908	1 960	985	1 263	827	261	14 076	20 249	20 405
Waste water management		-	404	863	3 759	1 581	1 921	878	4 283	1 709	1 010	575	303	17 265	22 452	22 475
Waste management		-	200	-	500	750	300	-	-	-	-	-	-	1 750	750	737
Other		-	600	-	1 700	800	-	-	-	900	-	-	-	4 000	-	-
Total Capital Expenditure - Standard	2	50	11 198	14 929	15 952	13 972	11 535	7 006	16 407	10 916	6 502	4 765	2 832	115 064	104 189	99 529
Funded by:																
National Government		-	1 899	1 794	2 044	611	3 758	2 413	3 858	1 921	2 094	1 768	1 725	23 906	25 057	22 737
Provincial Government		-	74	1 014	3 186	4 728	2 556	2 327	4 515	3 873	2 218	1 528	41	26 059	19 746	24 865
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	1 973	2 808	5 220	5 339	6 314	4 739	8 373	5 794	4 312	3 316	1 766	49 955	44 803	47 602
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	1 150	4 650	4 900	4 701	2 170	770	3 760	2 870	1 170	870	486	27 498	25 631	23 181
Internally generated funds		50	8 075	7 471	5 923	3 933	3 051	1 496	4 273	2 251	1 019	579	590	38 501	33 754	28 746
Total Capital Funding		50	11 198	14 929	15 952	13 972	11 535	7 006	16 407	10 916	6 502	4 765	2 832	116 064	104 189	99 529

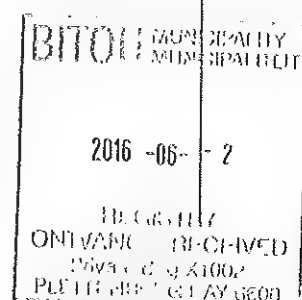


Table 53 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS		Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Receipts by Source																
Property rates	9 062	9 062	9 062	9 062	9 062	9 062	9 062	9 062	9 062	9 062	9 062	9 062	9 062	108 749	115 274	122 190
Property rates - penalties & collection charges	101	104	105	105	141	133	131	140	96	127	124	-	-	1 201	1 273	1 349
Service charges - electricity revenue	11 270	10 751	10 260	9 613	9 326	9 326	10 121	13 641	11 032	9 051	10 489	9 627	6 583	121 764	131 323	141 856
Service charges - water revenue	6 701	3 472	3 164	2 848	2 855	3 321	3 321	4 191	4 072	3 326	3 179	3 015	2 930	43 074	45 753	48 896
Service charges - sanitation revenue	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	38 534	38 972	41 827
Service charges - refuse revenue	2 009	2 009	2 009	2 009	2 009	2 009	2 009	2 009	2 009	2 009	2 009	2 009	2 009	24 113	25 783	28 651
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	119	109	111	122	108	108	130	108	116	114	129	114	75	1 355	1 426	1 511
Interest earned - external investments	209	242	242	282	282	829	278	516	438	269	438	841	1 053	5 829	8 176	6 549
Interest earned - outstanding debtors	168	206	243	259	262	262	275	315	338	274	337	157	145	2 878	3 176	3 389
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	179	187	178	179	183	170	170	185	261	318	147	232	5 142	7 352	7 730	8 105
Licences and permits	499	501	501	501	512	512	525	503	498	512	503	498	500	6 052	6 058	6 064
Agency services	102	102	102	102	102	102	102	102	102	102	102	102	1 219	1 253	1 370	1 370
Transfer receipts - operations	30 829	2 177	1 807	3 353	24 720	2 478	2 478	83	5 448	20 424	3 435	5 951	3 464	104 230	101 353	112 243
Other revenue	1 228	545	802	1 103	636	916	916	584	1 019	778	3 504	523	1 389	13 023	13 755	14 518
Cash Receipts by Source	65 521	32 512	31 810	32 658	53 782	32 564	34 485	37 534	49 421	35 187	36 501	35 187	35 509	477 466	500 346	536 318
Other Cash Flows by Source																
Transfer receipts - capital	1 239	1 102	1 574	6 940	3 738	1 928	939	8 288	2 561	2 561	2 583	2 786	23 282	55 950	51 076	54 876
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	19	19	19	19	19	19	19	19	19	19	19	19	19	223	236	250
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	6	6	6	6	6	6	6	6	6	6	6	6	6	75	76	77
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	66 765	33 639	33 409	39 524	57 545	34 517	35 449	45 848	52 008	39 109	39 109	37 997	83 814	559 742	577 385	622 882
Cash Payments by Type																
Employee related costs	12 725	13 125	13 581	14 145	22 535	14 770	14 962	14 529	14 529	14 164	14 083	15 044	14 012	177 635	196 134	210 592
Remuneration of councillors	466	466	466	466	466	466	466	466	466	466	466	466	466	5 597	5 960	6 348
Finance charges	115	123	120	110	125	7 319	118	111	111	114	110	118	6 834	15 318	18 872	18 120
Bulk purchases - Electricity	1 378	12 145	10 176	6 616	5 863	6 049	7 956	6 838	5 571	5 571	6 122	5 467	15 111	89 281	83 152	95 925
Bulk purchases - Water & Sewer	-	-	245	-	-	-	-	-	-	-	-	-	-	245	282	308
Other materials	118	141	549	277	526	489	347	351	363	363	184	465	445	4 257	4 448	4 603
Contracted services	716	1 645	1 635	1 770	2 028	1 303	2 706	1 681	1 681	2 274	1 811	1 578	3 526	22 653	20 267	20 123
Transfer payments - other	1 271	11	11	11	11	11	11	11	11	11	11	11	361	3 632	3 738	3 844
Other expenditure	9 039	7 678	8 466	8 468	11 024	12 014	10 503	10 462	10 462	10 462	12 845	10 165	19 207	130 117	120 656	126 538
Cash Payments by Type	25 827	35 334	35 249	31 864	43 838	42 421	37 700	34 429	33 191	35 612	35 612	33 315	59 954	448 744	481 320	486 490
Other Cash Flows by Type																
Capital assets	50	11 141	14 853	15 871	13 901	11 477	6 970	16 323	10 860	6 469	6 469	4 741	2 817	115 473	104 991	99 308
Repay money/borrowing	196	187	181	200	994	6 570	234	227	227	230	226	1 096	6 778	17 128	17 815	18 806
Total Cash Payments by Type	26 073	46 661	50 262	47 935	58 733	60 468	44 904	50 980	44 281	44 281	42 307	30 152	69 500	581 348	584 125	604 604
NET INCREASE/DECREASE IN CASH HELD	40 712	(13 022)	(16 882)	(8 311)	(1 187)	(25 951)	(9 459)	(5 132)	(5 132)	(7 725)	(3 198)	(1 155)	(14 254)	(21 604)	(6 761)	(18 258)
Cash/cash equivalents at the month/year end	70 949	111 861	98 536	81 536	73 345	72 157	46 206	46 206	36 751	31 619	36 146	34 991	34 991	49 245	42 484	42 484
Cash/cash equivalents at the month/year end:	111 581	98 536	81 536	73 345	72 157	46 206	46 206	36 751	31 619	36 146	34 991	34 991	34 991	49 245	42 484	42 484

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2.10 Contracts having future budgetary implications

In terms of Bitou Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.11 Capital expenditure details

The following three table's present details of Bitou Municipality's Final Draft capital expenditure program, firstly on new assets, then the renewal of assets and on the repair and maintenance of assets.

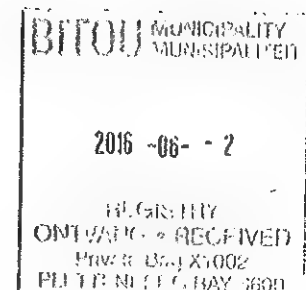


Table 54 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Actual Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		R thousand								
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		20 962	30 142	40 736	55 404	71 257	71 257	78 018	81 831	81 272
Infrastructure - Road transport		5 506	4 288	2 498	8 149	22 559	22 559	31 869	24 143	27 969
Roads, Pavements & Bridges		5 506	4 288	2 203	7 083	20 297	20 297	31 869	24 143	27 969
Storm water		-	-	295	1 066	2 263	2 263	-	-	-
Infrastructure - Electricity		2 736	151	11 663	18 202	18 127	18 127	14 048	14 918	11 386
Generation		558	-	-	-	-	-	-	-	-
Transmission & Reticulation		2 178	151	11 663	16 572	15 518	15 518	13 648	14 518	11 186
Street Lighting		-	-	-	1 631	2 609	2 609	400	400	200
Infrastructure - Water		1 759	5 863	6 118	11 215	11 357	11 357	12 489	19 149	19 305
Dams & Reservoirs		1 759	5 863	4 819	7 671	2 033	2 033	3 787	7 640	8 713
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	1 299	3 544	9 323	9 323	8 703	11 508	10 592
Infrastructure - Sanitation		4 261	373	4 208	8 261	9 638	9 638	16 882	21 872	21 875
Reticulation		4 261	-	3 219	2 409	3 192	3 192	4 639	3 448	3 720
Sewerage purification		-	373	989	5 853	6 446	6 446	12 223	18 426	18 156
Infrastructure - Other		6 700	19 467	16 248	9 576	9 576	9 576	2 750	1 750	737
Waste Management		-	878	8 508	9 576	9 576	9 576	750	750	737
Transportation	2	-	-	7 739	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	6 700	18 589	-	-	-	-	2 000	1 000	-
Community		557	928	1 111	1 831	2 632	2 632	2 499	1 600	900
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	169	750	1 399	1 399	399	-	-
Recreational facilities		-	28	-	-	-	-	-	-	-
Fire, safety & emergency		-	20	-	-	-	-	-	-	-
Security and policing		206	78	-	550	550	550	900	900	900
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		351	802	-	531	683	683	1 200	700	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		364	8 375	2 933	21 098	11 838	11 838	18 189	6 840	3 479
General vehicles		-	2 007	-	6 000	6 181	6 181	9 845	3 400	1 650
Specialised vehicles		-	2 564	-	1 269	1 269	1 269	-	-	-
Plant & equipment		156	250	852	1 410	1 214	1 214	668	1 010	840
Computers - hardware/equipment		6	1 243	881	1 249	1 171	1 171	445	700	300
Furniture and other office equipment		202	776	651	1 365	1 117	1 117	1 517	470	100
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	549	2 766	887	887	4 660	-	-
Other Land		-	1 535	-	7 039	-	-	1 054	1 260	589
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Intangibles		-	-	285	124	215	215	95	-	-
Computers - software & programming		-	-	285	124	215	215	95	-	-
Other (1st sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	21 883	39 445	44 142	78 457	85 941	85 941	98 601	90 272	85 651
Specialised vehicles		-	2 564	-	1 269	1 269	1 269	-	-	-
Refuse		-	2 564	-	1 269	1 269	1 269	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

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Table 55 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		12 374	23 356	7 408	8 060	9 332	9 332	9 662	10 749	11 574
Infrastructure - Road transport		10 457	1 960	378	5 486	5 398	5 398	7 762	10 049	10 874
Roads, Pavements & Bridges		10 457	1 960	146	3 797	3 709	3 709	7 262	9 674	10 874
Storm water		-	-	233	1 689	1 689	1 689	500	375	-
Infrastructure - Electricity		219	2 087	3 372	2 000	3 419	3 419	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		219	2 087	3 372	2 000	3 419	3 419	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	861	423	400	400	400	900	700	700
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	861	423	400	400	400	900	700	700
Infrastructure - Sanitation		1 698	18 447	3 232	-	-	-	-	-	-
Reticulation		1 698	-	600	-	-	-	-	-	-
Sewerage purification		-	18 447	2 632	-	-	-	-	-	-
Infrastructure - Other		-	-	-	114	114	114	1 000	-	-
Waste Management		-	-	-	-	-	-	1 000	-	-
Transportation	2	-	-	-	114	114	114	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
Community		-	2 360	2 285	439	439	439	2 642	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	2 360	2 285	439	439	439	2 562	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	80	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		142	4 704	1 664	2 974	6 526	6 526	4 959	3 169	2 304
General vehicles		-	4 279	820	-	-	-	-	-	-
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		142	-	73	53	53	53	1 510	1 394	1 504
Computers - hardware/equipment		-	-	770	890	1 012	1 012	739	1 150	800
Furniture and other office equipment		-	2	2	320	221	221	10	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	300	-	-	-	-	-
Other Buildings		-	423	-	1 411	6 239	6 239	2 700	625	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing	1	12 516	30 420	11 355	11 413	16 296	16 296	17 263	13 917	13 878
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

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ALGOA CITY
ONTARIO - RECEIVED
Private Bag X1002
P.O. BOX 600

Table 56 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		5 758	5 366	6 332	9 657	9 782	9 782	17 639	17 855	17 829
Infrastructure - Road transport		1 173	1 715	1 000	3 667	4 651	4 651	8 183	8 321	8 505
Roads, Pavements & Bridges		935	1 373	1 491	2 893	3 877	3 877	7 733	7 851	7 995
Storm water		238	342	514	774	774	774	450	470	510
Infrastructure - Electricity		1 540	1 969	1 796	2 445	2 509	2 509	4 616	4 922	4 266
Generation		-	-	-	-	-	-	-	-	-
Transmission & Retiulation		1 441	1 940	1 571	1 849	1 876	1 876	1 959	2 194	2 457
Street Lighting		99	29	225	596	633	633	2 657	2 728	1 808
Infrastructure - Water		1 165	175	573	801	585	585	850	1 326	1 436
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		1 031	5	405	502	413	413	429	490	516
Retiulation		134	171	168	299	172	172	421	837	921
Infrastructure - Sanitation		1 257	983	1 957	2 037	2 037	2 037	2 281	2 555	2 851
Retiulation		1 244	931	1 796	1 804	1 804	1 804	2 020	2 263	2 534
Sewerage purification		13	52	161	233	233	233	261	292	327
Infrastructure - Other		623	523	-	718	-	-	1 710	732	761
Waste Management		623	523	-	718	-	-	1 710	732	761
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
Community		815	1 699	1 979	4 029	4 031	4 031	3 695	3 950	4 208
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		192	171	275	302	181	181	234	248	263
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		119	231	214	679	394	394	600	636	674
Fire, safety & emergency		1	83	47	102	36	36	38	40	43
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		503	1 213	1 443	2 947	3 420	3 420	2 822	3 025	3 226
Other assets		2 841	3 476	4 116	4 785	5 356	5 356	6 220	6 440	7 020
General vehicles		908	1 172	1 573	1 595	1 913	1 913	2 148	2 393	2 679
Specialised vehicles	10	316	-	-	-	-	-	-	-	-
Plant & equipment		147	271	648	725	914	914	1 003	1 097	1 202
Computers - hardware/equipment		17	327	148	144	164	164	173	184	195
Furniture and other office equipment		8	6	29	56	19	19	48	50	52
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		1 403	1 645	1 648	2 100	2 216	2 216	2 693	2 652	2 716
Other Buildings		30	13	20	67	77	77	82	87	92
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		12	42	49	98	54	54	73	78	84
Intangibles		-	-	383	880	171	171	915	960	999
Computers - software & programming		-	-	383	880	171	171	915	960	999
Other (1st sub-class)		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	9 413	10 540	12 809	19 181	19 340	19 340	28 459	29 206	30 054
Specialised vehicles		316	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		316	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

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Table 57 MBRR SA34d - Depreciation by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		12 406	12 716	16 789	16 789	15 715	15 715	16 081	20 773	23 573
Infrastructure - Road transport		3 910	4 045	6 366	3 982	4 242	4 242	4 418	6 226	7 342
Roads, Pavements & Bridges		3 910	4 045	6 366	3 866	4 149	4 149	4 418	6 107	7 221
Storm water		-	-	-	116	93	93	-	119	121
Infrastructure - Electricity		1 776	1 651	2 477	2 740	2 620	2 620	2 477	3 436	3 800
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		1 776	1 651	2 477	2 699	2 558	2 558	2 477	3 352	3 709
Street Lighting		-	-	-	40	62	62	-	84	91
Infrastructure - Water		4 581	4 666	5 322	5 265	4 624	4 624	4 926	5 626	6 255
Dams & Reservoirs		-	-	-	310	48	48	-	331	557
Water purification		4 581	4 666	5 322	4 779	4 346	4 346	4 926	4 520	4 621
Reticulation		-	-	-	177	230	230	-	775	1 076
Infrastructure - Sanitation		2 111	2 343	2 615	3 122	2 823	2 823	2 706	3 887	4 624
Reticulation		-	-	-	159	75	75	-	277	377
Sewerage purification		2 111	2 343	2 615	2 964	2 747	2 747	2 706	3 610	4 147
Infrastructure - Other		28	10	9	1 248	1 406	1 406	1 554	1 598	1 652
Waste Management		28	8	9	481	463	463	754	543	573
Transportation	2	-	-	-	195	3	3	-	3	3
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	2	-	573	941	941	800	1 052	1 076
Community		1 466	1 322	1 805	1 279	1 148	1 148	1 514	1 359	1 413
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	774	86	479	479	686	581	574
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		64	58	93	62	61	61	65	63	84
Libraries		519	504	586	471	459	459	538	487	498
Recreational facilities		828	710	139	638	39	39	67	40	41
Fire, safety & emergency		-	-	-	-	-	-	-	-	2
Security and policing		55	50	43	29	30	30	98	75	99
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	170	13	81	81	109	131	134
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		3 086	3	30	168	168	168	27	168	168
Housing development		-	-	-	-	-	-	-	-	-
Other		3 086	3	30	168	168	168	27	168	168
Other assets		11 780	12 102	3 321	2 490	2 280	2 280	4 917	3 129	3 330
General vehicles	10	3 099	773	943	471	399	399	2 037	741	799
Specialised vehicles		462	306	320	187	182	182	281	190	194
Plant & equipment		738	512	463	165	154	154	592	273	338
Computers - hardware/equipment		-	-	-	100	52	52	-	128	159
Furniture and other office equipment		1 725	1 340	1 372	356	352	352	1 731	415	427
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	7	-	-	-	-	-
Other Buildings		797	391	223	1 204	1 140	1 140	275	1 382	1 413
Other Land		4 958	8 781	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	0	0	0	-	0	(0)
Intangibles		658	3 694	110	30	26	26	162	29	30
Computers - software & programming		658	3 694	110	30	26	26	162	29	30
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Depreciation	1	29 396	29 837	22 055	19 337	19 337	19 337	22 731	25 459	28 514
Specialised vehicles		462	306	320	187	182	182	281	190	194
Recreational facilities		-	-	-	31	30	30	-	31	32
Fire		462	306	320	156	152	152	281	159	162
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

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Table 58 MBRR SA35 - Future financial implications of the capital Budget

Vote Description R thousand	Ref	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
Capital expenditure	1							
Council		-	-	-	-	-	-	-
Office of the Municipal Manager		102	-	-	-	-	-	-
Community Services		17 080	7 642	4 903	-	-	-	-
Corporate Services		402	-	-	-	-	-	-
Financial Services		1 375	1 850	1 100	-	-	-	-
Strategic Services		4 005	-	-	-	-	-	-
Engineering Services		93 100	94 697	93 526	-	-	-	-
Total Capital Expenditure		116 064	104 189	99 529	-	-	-	-
Net Financial Implications		116 064	104 189	99 529	-	-	-	-



Table 59 MBRR SA36 - Detailed capital Budget per municipal vote

Please see the attached SA36 document attached.

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individuality Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes	2016/17 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4			2	5	3	3		Audited Outcome 2014/15	Budget Year 2016/17	Budget Year +1 2017/18	Budget year and occasion	New or renewal	
Parent municipality: List all capital projects grouped by Municipal Vote														
Office of the Municipal Manager	2	FURNITURE AND EQUIPMENT	551 120 031	D	No	Other assets	Furniture and other office equipment	-	-	-	-	-	New	
Office of the Municipal Manager	2	COUNCIL CHAMBER UPGRADES	551 120 061	D	No	Other assets	Furniture and other office equipment	-	-	100	-	-	New	
Office of the Municipal Manager	2	AIR CONDITIONERS	552 100 341	D	No	Other assets	Furniture and other office equipment	-	-	-	-	-	Renewal	
Office of the Municipal Manager	2	FURNITURE AND EQUIPMENT	552 100 481	D	No	Other assets	Furniture and other office equipment	-	2	-	-	-	Renewal	
Office of the Municipal Manager	2	INTERNAL AUDIT TASK SYSTEM	552 120 051	C	No	Intangibles	Computers - software & programming	-	150	-	-	-	New	
Office of the Municipal Manager	2	INTERNAL AUDIT TASK SYSTEM	552 120 061	C	No	Intangibles	Computers - software & programming	-	135	-	-	-	New	
Corporate Services	4	FURNITURE AND EQUIPMENT 1	552 120 031	C	No	Other assets	Furniture and other office equipment	-	48	50	-	-	New	
Community Services	3	TOOLS AND EQUIPMENT	553 120 101	A	No	Other assets	Plant & equipment	-	-	-	-	-	New	
Community Services	3	FURNITURE AND EQUIPMENT	553 120 461	A	No	Other assets	Furniture and other office equipment	-	-	325	1 108	519	New	
Community Services	3	PURCHASE OF LAND (GRANTS)	553 200 121	A	No	Infrastructure - Other	Other Land	-	-	2 000	1 000	-	New	
Community Services	3	PURCHASE OF LAND - EFF	553 200 221	A	No	Other assets	Plant & equipment	-	-	-	-	-	New	
Community Services	3	PURCHASE OF LAND	553 202 121	A	No	Other assets	General vehicles	-	-	128	155	72	New	
Community Services	3	TOOLS AND EQUIPMENT	553 220 111	B	No	Other assets	Computers - hardware/equipment	-	-	300	200	-	New	
Community Services	3	BOOK DETECTION SYSTEM	553 300 151	B	No	Other assets	Computers - hardware/equipment	-	206	137	140	-	New	
Community Services	3	COMPUTER EQUIPMENT 1	553 300 181	A	No	Other assets	Furniture and other office equipment	-	-	-	-	-	New	
Community Services	3	AIR CONDITIONERS	553 300 241	A	No	Community	Libraries	-	34	121	-	-	New	
Community Services	3	UPGRADE OF MUNICIPAL BUILDINGS	553 300 301	A	No	Community	Furniture and other office equipment	-	189	399	-	-	New	
Community Services	3	FURNITURE AND EQUIPMENT	553 300 461	A	No	Community	Fire, safety & emergency	-	6	307	60	-	New	
Community Services	3	FIRE HYDRANTS	553 400 121	A	No	Community	Plant & equipment	-	-	-	-	-	Renewal	
Community Services	3	TOOLS AND EQUIPMENT	553 400 131	A	No	Other assets	General vehicles	-	620	-	-	-	Renewal	
Community Services	3	VEHICLE	553 400 331	A	No	Other assets	Other Buildings	-	-	-	-	-	Renewal	
Community Services	3	UPGRADE OF BUILDINGS	553 400 381	A	No	Other assets	Furniture and other office equipment	-	-	-	525	-	Renewal	
Community Services	3	FURNITURE AND EQUIPMENT 1	553 400 461	A	No	Other assets	Plant & equipment	-	285	-	-	-	New	
Community Services	3	HAZMAT EQUIPMENT	553 400 551	A	No	Other assets	Plant & equipment	-	-	200	200	200	New	
Community Services	3	TOOLS AND EQUIPMENT	553 420 131	A	No	Other assets	Plant & equipment	-	-	60	50	-	New	
Community Services	3	COMPUTER EQUIPMENT 1	553 420 141	A	No	Other assets	Computers - hardware/equipment	-	-	-	-	-	New	
Community Services	3	TRAILOR	553 420 151	A	No	Other assets	General vehicles	-	7	-	-	-	New	
Community Services	3	LAND AND BUILDINGS 2	553 420 321	A	No	Other assets	Other Land	-	540	200	-	-	New	
Community Services	3	FURNITURE AND EQUIPMENT 1	553 420 331	A	No	Other assets	Furniture and other office equipment	-	-	4 500	-	-	New	
Community Services	3	TECHNICAL EQUIPMENT	553 420 461	A	No	Other assets	Plant & equipment	-	-	40	70	-	New	
Community Services	3	SPECIALISED EQUIPMENT	553 420 531	A	No	Other assets	Plant & equipment	-	-	100	150	-	New	
Community Services	3	TOOLS AND EQUIPMENT	553 420 541	A	No	Other assets	Plant & equipment	-	-	40	40	-	New	
Community Services	3	RADIO COMM. UPGRADE	553 420 131	C	No	Other assets	Plant & equipment	-	162	-	-	-	New	
Community Services	3	TOOLS & LOOSE GEARS	553 420 011	A	No	Other assets	Plant & equipment	-	-	-	-	-	New	
Community Services	3	TOOLS AND EQUIPMENT	553 420 031	A	No	Other assets	Plant & equipment	-	2	-	-	-	New	
Community Services	3	KRAMSHOEK UPGRADE SPORTS FAC	553 420 321	A	No	Other assets	Plant & equipment	-	673	-	-	-	Renewal	
Community Services	3	BOSSIESGOF: UPGRADE SPORTS FAC	553 420 331	A	No	Other assets	Plant & equipment	-	-	617	-	-	Renewal	
Community Services	3	EQUIPMENT	553 420 341	A	No	Other assets	Plant & equipment	-	-	-	280	-	Renewal	
Community Services	3	UPGRADE OF SPORTS FACILITY: MIG	553 420 351	A	No	Community	Sportfields & stands	-	-	188	-	-	Renewal	
Community Services	3	BOSSIESGOF: UPGRADE SPORTS FAC	553 420 361	A	No	Community	Sportfields & stands	-	-	-	-	-	New	
Community Services	3	UPGRADE KWANO SPORT FIELD-CRR	553 420 381	A	No	Community	Sportfields & stands	-	-	2 502	-	-	Renewal	
Community Services	3	ESTABLISHMENT OF NEW CEMETARY	553 420 041	A	No	Community	Cemeteries	-	1 612	-	-	-	Renewal	
Community Services	3	ESTABLISHMENT OF NEW CEMETARY 1	553 420 051	A	No	Community	Cemeteries	-	-	-	904	-	Renewal	
Community Services	3	FURNITURE AND EQUIPMENT 1	553 420 461	A	No	Community	Furniture and other office equipment	-	-	-	700	-	Renewal	
Community Services	3		553 420 461	A	No	Community		-	-	500	-	-	New	

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework		Subject information	
									Audited Outcomes 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year 2017/18	Budget Year 2018/19	Notes
Community Services	3	PA SYSTEM FOR HALLS	553 540 501	A	No	Other assets	Furniture and other office equipment	-	-	-	20	70	-	New
Community Services	3	PLASTIC CHAIRS AND TABLES FOR	553 540 511	A	No	Other assets	Furniture and other office equipment	-	-	-	5	5	-	New
Community Services	3	WEDGERS FOR GRASS CUTTING	553 540 521	A	No	Other assets	Plant & equipment	-	-	-	-	-	-	New
Corporate Services	4	FURNITURE AND EQUIPMENT	554 100 211	C	No	Other assets	Furniture and other office equipment	267	-	-	-	-	-	New
Corporate Services	4	STORAGE CABINET FOR CATERING E	554 100 221	C	No	Other assets	Furniture and other office equipment	-	-	100	-	-	-	New
Corporate Services	4	AIR CONDITIONERS	554 100 231	C	No	Other assets	Furniture and other office equipment	-	-	20	-	-	-	New
Corporate Services	4	ARCHIVAL UPGRADE	554 100 241	C	No	Other assets	Furniture and other office equipment	-	-	200	-	-	-	New
Corporate Services	4	UPGRADE OF MUNICIPAL BUILDINGS	554 100 351	C	No	Other assets	Other Buildings	-	-	-	100	-	-	Renewal
Corporate Services	4	FURNITURE AND EQUIPMENT 1	554 100 471	C	No	Other assets	Furniture and other office equipment	-	-	25	-	-	-	New
Corporate Services	4	FURNITURE AND EQUIPMENT 1	554 120 031	C	No	Other assets	Furniture and other office equipment	-	-	2	-	-	-	New
Corporate Services	4	EXTERNAL APPLICATION BOX	554 200 081	C	No	Other assets	Furniture and other office equipment	-	-	-	5	-	-	New
Corporate Services	4	WHITE BOARD	554 200 091	C	No	Other assets	Furniture and other office equipment	-	-	-	5	-	-	New
Corporate Services	4	AIR CONDITIONERS	554 200 241	C	No	Other assets	Furniture and other office equipment	-	-	-	20	-	-	New
Corporate Services	4	FURNITURE AND EQUIPMENT 1	554 200 241	C	No	Other assets	Furniture and other office equipment	-	-	-	-	-	-	New
Corporate Services	4	FURNITURE AND EQUIPMENT 1	554 200 481	C	No	Other assets	Roads, Pavements & Bridges	-	-	-	100	-	-	Renewal
Corporate Services	4	PAVING FOR ENTRANCE AND SURROUNDS	554 220 031	B	No	Other assets	Roads, Pavements & Bridges	-	-	-	300	-	-	New
Corporate Services	4	UPGRADE OF BUILDINGS	554 220 351	B	No	Other assets	Other Buildings	-	-	-	2 700	-	-	Renewal
Corporate Services	4	NOTICE BOARDS	554 300 311	C	No	Other assets	Furniture and other office equipment	-	-	-	100	-	-	New
Corporate Services	4	FURNITURE AND EQUIPMENT 1	554 300 461	C	No	Other assets	Furniture and other office equipment	-	-	35	-	-	-	New
Corporate Services	4	PODiums	554 300 481	C	No	Other assets	Other Buildings	-	-	-	35	-	-	New
Corporate Services	4	UPGRADE OF MUNICIPAL BUILDINGS	555 100 351	E	No	Other assets	Furniture and other office equipment	-	-	2 800	-	-	-	Renewal
Corporate Services	4	FURNITURE AND EQUIPMENT 1	555 100 471	E	No	Other assets	Furniture and other office equipment	-	-	300	-	-	-	New
Corporate Services	4	FURNITURE AND EQUIPMENT 1	555 200 401	E	No	Other assets	Computers - hardware/equipment	-	-	8	-	-	-	New
Corporate Services	4	Integrated IT System	555 200 421	E	No	Other assets	Computers - hardware/equipment	-	-	94	-	-	-	New
Corporate Services	4	COMPUTER EQUIPMENT 1	555 200 421	E	No	Other assets	Computers - hardware/equipment	-	-	400	-	-	-	New
Corporate Services	4	COMPUTER EQUIPMENT 1	555 400 141	E	No	Other assets	Computers - hardware/equipment	-	-	350	-	-	-	New
Corporate Services	4	DR SERVER/STORAGE PROJECT	555 400 201	E	No	Other assets	Computers - hardware/equipment	-	-	165	-	-	-	Renewal
Corporate Services	4	MAIN BUILDING NETWORK SWITCHES	555 400 211	E	No	Other assets	Computers - hardware/equipment	-	-	50	-	-	-	Renewal
Corporate Services	4	COMPUTER REPLACEMENT	555 400 221	E	No	Other assets	Computers - hardware/equipment	-	-	322	-	-	-	Renewal
Corporate Services	4	WIRELESS EQUIPMENT	555 400 231	E	No	Other assets	Computers - hardware/equipment	-	-	86	-	-	-	Renewal
Corporate Services	4	UPS FOR SITES PROJECT	555 400 241	E	No	Other assets	Computers - hardware/equipment	-	-	222	-	-	-	Renewal
Corporate Services	4	TRAINING ROOM PROJECT	555 400 251	E	No	Other assets	Computers - hardware/equipment	-	-	137	-	-	-	New
Corporate Services	4	WIRELESS UPGRADES	555 400 261	E	No	Other assets	Computers - hardware/equipment	-	-	83	-	-	-	New
Corporate Services	4	MANAGEMENT SOFTWARE	555 400 271	E	No	Other assets	Computers - software & programming	-	-	116	-	-	-	New
Corporate Services	4	UPGRADE OF MUNICIPAL BUILDINGS	555 400 351	E	No	Other assets	Other Buildings	-	-	85	-	-	-	Renewal
Corporate Services	4	FURNITURE AND EQUIPMENT 1	555 400 461	E	No	Other assets	Furniture and other office equipment	-	-	3	-	-	-	New
Corporate Services	4	FURNITURE AND EQUIPMENT 1	555 400 461	E	No	Other assets	Furniture and other office equipment	-	-	-	-	-	-	New
Corporate Services	4	TOOLS AND EQUIPMENT	555 500 151	E	No	Infrastructure - Water	Plant & equipment	-	-	1 000	-	-	-	New
Corporate Services	4	FURNITURE AND EQUIPMENT	555 500 231	E	No	Other assets	Plant & equipment	-	-	20	-	-	-	New
Corporate Services	4	FURNITURE AND EQUIPMENT	555 500 461	E	No	Other assets	Furniture and other office equipment	-	-	17	-	-	-	Renewal
Corporate Services	4	FURNITURE AND EQUIPMENT	555 700 461	E	No	Other assets	Plant & equipment	-	-	104	-	-	-	New
Corporate Services	4	TOOLS AND EQUIPMENT	557 100 151	C	No	Other assets	Other Buildings	-	-	5	-	-	-	Renewal
Corporate Services	4	UPGRADE OF MUNICIPAL BUILDINGS-CRR	557 120 391	C	No	Other assets	Other Buildings	-	-	878	-	-	-	Renewal
Corporate Services	4	FURNITURE AND EQUIPMENT 1	557 120 391	C	No	Other assets	Other Buildings	-	-	1 316	-	-	-	Renewal
Corporate Services	4	PARKING FACILITIES 2	557 400 101	B	No	Other assets	Furniture and other office equipment	-	-	62	-	-	-	New
Corporate Services	4	GREEN VALLEY SW UPGRADE (DAS)	558 200 001	A	No	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	114	-	-	-	Renewal
Corporate Services	4	CONSTRUCTION OF SPEEDWAYS-CRR	558 200 151	A	No	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	1 488	-	-	-	Renewal
Corporate Services	4	GREEN VALLEY SW UPGRADE (DAS)	558 200 201	A	No	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	183	-	-	-	Renewal
Corporate Services	4	TOOLS AND EQUIPMENT	558 200 201	A	No	Other assets	Plant & equipment	-	-	210	-	-	-	New
Corporate Services	4	KRANSPOCK UPGRADE GRAVEL ROAD	558 200 321	A	No	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	135	-	-	-	New
Corporate Services	4	KRANSPOCK TREKKER STREET SW (MCE)	558 200 321	A	No	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	674	-	-	-	Renewal
Corporate Services	4	KURLAND UPGRADE GRAVEL ROADS	558 200 341	A	No	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	2 607	-	-	-	Renewal
Corporate Services	4	KURLAND UPGRADE GRAVEL ROADS	558 200 351	A	No	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	137	-	-	-	Renewal
Corporate Services	4	REHABILITATION OF STREET 1	558 200 431	A	No	Other assets	Furniture and other office equipment	-	-	8	-	-	-	New
Corporate Services	4	FURNITURE AND EQUIPMENT	558 200 461	A	No	Other assets	Roads, Pavements & Bridges	-	-	7 739	-	-	-	New
Corporate Services	4	TAXI ROUTE	558 200 511	A	No	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	-	-	-	New

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Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes	2016/17 Medium Term Revenue & Expenditure Framework				Project information		
R thousand	4				6	3	3		Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	new or renew	
Engineering Services	7	DOLWEN PHASE 3: WATER (DOHS)	558 002 611	A	No	Infrastructure - Water	Refundation	-	-	67	-	-	-	-		New
Engineering Services	7	KWANO CIVIL SERVICES PHASE 4	558 002 641	A	No	Infrastructure - Water	Refundation	-	-	114	146	-	-	-		New
Engineering Services	7	GREEN VALLEY PHASE 1 (21)	558 002 721	A	No	Infrastructure - Water	Refundation	-	-	11	11	-	-	-		New
Engineering Services	7	GREEN VALLEY PHASE 2, 3 & 4	558 002 741	A	No	Infrastructure - Water	Refundation	-	-	7	12	46	-	51		New
Engineering Services	7	NEW HORIZONS (83)	558 002 751	A	No	Infrastructure - Water	Refundation	-	-	3	32	-	-	-		New
Engineering Services	7	DOLWEN BOSSIESGIF PH 4A (410)	558 002 771	A	No	Infrastructure - Water	Refundation	-	-	9	97	119	-	124		New
Engineering Services	7	KWANOKUTJILLA PHASE 5 (1000)	558 002 781	A	No	Infrastructure - Water	Refundation	-	-	8	13	19	-	-		New
Engineering Services	7	SHELL ULTRA CITY (107)	558 002 791	A	No	Infrastructure - Water	Refundation	-	-	3	9	81	-	-		New
Engineering Services	7	EBERHEZER PORTIONS 3, 30, 42, 44	558 002 801	A	No	Infrastructure - Water	Refundation	-	-	7	10	5	54	-		New
Engineering Services	7	DOLWEN BOSSIESGIF PH 4B (391)	558 002 821	A	No	Infrastructure - Water	Refundation	-	-	-	21	6	32	-		New
Engineering Services	7	DOLWEN PHASE 5 (141)	558 002 831	A	No	Infrastructure - Water	Refundation	-	-	-	-	6	6	-		New
Engineering Services	7	HARKERVILLE (80)	558 002 941	A	No	Infrastructure - Water	Refundation	-	-	-	4	20	21	-		New
Engineering Services	7	POORTJES: UPGRADE WATER PIPEL	558 003 021	A	No	Infrastructure - Water	Refundation	-	-	-	500	-	-	-		New
Engineering Services	7	KRANSBOK: NEW WATER SUPPLY	558 003 041	A	No	Infrastructure - Water	Refundation	-	-	-	500	500	500	500		New
Engineering Services	7	HARKERVILLE BULK WATER SUPPLY	558 003 051	A	No	Infrastructure - Water	Refundation	-	-	-	500	1 000	1 000	1 000		New
Engineering Services	7	GREEN VALLEY: UPGRADE BULK WAT	558 004 041	A	No	Infrastructure - Water	Refundation	-	-	-	-	877	877	877		New
Engineering Services	7	NEW WARDT DAM-ORR	558 004 001	A	No	Infrastructure - Water	Refundation	-	-	-	1 920	2 000	2 000	2 000		New
Engineering Services	7	POORTJES: UPGRADE WATER PIPEL	558 005 011	A	No	Infrastructure - Water	Refundation	-	-	-	900	1 000	1 000	1 000		New
Engineering Services	7	KURLAND: UPGRADE WATER PIPELINE	558 006 021	A	No	Infrastructure - Water	Refundation	-	-	-	-	-	-	-		New
Engineering Services	7	DAMES: UPGRADE WATER PIPELINES	558 006 031	A	No	Infrastructure - Water	Refundation	-	-	-	-	-	-	-		New
Engineering Services	7	WHALE ROCK: NEW FO VALVE	558 006 041	A	No	Infrastructure - Water	Refundation	-	-	-	900	150	-	-		New
Engineering Services	7	QBC: UPGRADE WATER PIPELINE	558 006 051	A	No	Infrastructure - Water	Refundation	-	-	-	-	-	-	-		New
Engineering Services	7	BRANKLOOF: NEW WATER PIPELINE	558 006 071	A	No	Infrastructure - Water	Refundation	-	-	-	-	-	-	-		New
Engineering Services	7	PLETTODEN: NEW BULK WATER SUPPLY	558 006 081	A	No	Infrastructure - Water	Refundation	-	-	-	-	-	-	-		New
Engineering Services	7	WITTEBEEK: NEW BOOSTER PUMP ST	558 006 091	A	No	Infrastructure - Water	Refundation	-	-	-	300	1 200	-	300		New
Engineering Services	7	KEURBOOMS: UPGRADE BOOSTER PUMP	558 006 101	A	No	Infrastructure - Water	Refundation	-	-	-	-	-	-	1 100		New
Engineering Services	7	NATURES VALLEY: TELEMETRY	558 006 121	A	No	Infrastructure - Water	Refundation	-	-	-	-	-	-	300		New
Total Capital expenditure									55 487	102 237	116 844	104 139	95 539			

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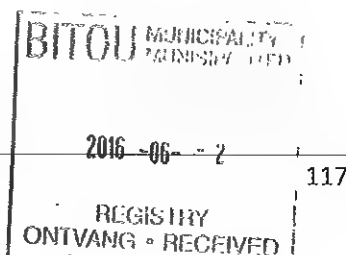
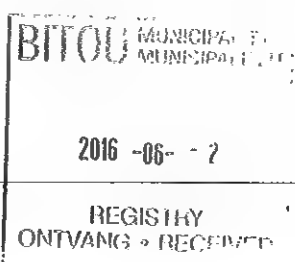
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2.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been fully implemented and in the 2014/15 final audit, no findings were made regarding compliance with MFMA and related regulations. The following activities are provided for further elaboration:

1. **In year reporting**
Reporting to National Treasury in electronic format is fully complied with on a monthly basis up until the last section 71 reporting to the Executive Mayor (within 10 working days) and the quality of information has progressively improved and includes monthly published financial performance on Bitou Municipality's website.
2. **Internship program**
Bitou Municipality is participating in the Municipal Financial Management Internship program. There are currently eight interns funded in the FMG in the current financial year of which one has already left and got appointment with an accounting firm. We have further extended this program to town planning and communication to assist with website development and town planning.
3. **Budget and Treasury Office**
The Budget and Treasury Office has been established in accordance with the MFMA and guidelines for establishment of BTO as issued by Provincial Treasury. The BTO structure was approved by council and has already yielded benefits in reducing and ensuring minimum use of consultants.
4. **Audit Committee**
An Audit Committee has been established and is fully functional.
5. **Service Delivery and Implementation Plan**
The detail Final Draft SDBIP document is submitted with this Final Draft 2016/17 MTREF and is directly aligned and informed by the Final Draft 2016/17 MTREF.
6. **Annual Report**
Annual report was compiled in terms of the MFMA and National Treasury requirements. The annual report was tabled in Council on 24 March 2016 and it was already considered by the oversight committee who then recommended the Annual report to be approved by Council.
7. **Minimum competency training**
Minimum competency training is underway and all required staff members are enrolled for the completion of the required training. Extension for the compliance has been granted by the National Treasury. Our participation in this program is in line with the assessment of current skills pool and capacity building to ensure less reliance on consulting services.
8. **Policies**
Various Final Draft policies amendments are proposed as part of the Budget process, all policies have been revised and are included as Annexure D with this report.



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2.13 Other supporting documents

Table 60 MBRR Table SA1 - Supporting detail to Budgeted financial performance

Description	Ref	2012/13			2013/14			2014/15			Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome			Audited Outcome			Audited Outcome			Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																	
REVENUE ITEMS:																	
Property rates																	
Total Property Rates	6	84 155			96 886			102 203			108 554	108 971	108 971	108 971	115 510	122 440	129 787
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-			-			-			-	-	-	-	-	-	-
Net Property Rates																	
Service charges - electricity revenue	6	94 001			101 863			107 942			122 058	122 058	122 058	122 058	131 576	141 840	152 910
Total Service charges - electricity revenue																	
less Revenue Foregone (in excess of 50 kwh per indigent household per month)					2 106			1 915			1 086	977	977	977	492	283	28
less Cost of Free Basis Services (50 kwh per indigent household per month)					1 657			1 157			1 070	1 178	1 178	1 178	1 750	2 061	2 420
Net Service charges - electricity revenue																	
Service charges - water revenue	6	35 411			36 923			50 284			52 597	52 619	52 619	52 619	55 776	59 123	62 670
Total Service charges - water revenue																	
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)					602			3 366			2 761	4 650	4 650	4 650	1 795	1 344	735
less Cost of Free Basis Services (6 kilolitres per indigent household per month)					767			5 724			6 877	4 989	4 989	4 989	8 223	9 181	10 211
Net Service charges - water revenue																	
Service charges - sanitation revenue		35 411			35 555			41 194			42 959	42 981	42 981	42 981	45 752	48 597	51 724
Total Service charges - sanitation revenue																	
less Revenue Foregone (in excess of free sanitation service to indigent households)					34 744			56 594			60 489	61 258	61 258	61 258	64 933	68 829	72 959
less Cost of Free Basis Services (free sanitation service to indigent households)					1 859			23 439			25 123	25 123	25 123	25 123	26 128	27 434	28 532
Net Service charges - sanitation revenue																	
		32 222			32 885			33 155			35 366	36 135	36 135	36 135	38 805	41 395	44 427

Description	Ref	2012/13		2013/14		2014/15		Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome		Audited Outcome		Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand															
REVENUE ITEMS:															
Property rates	6														
Total Property Rates		84 155		96 886		102 203		108 554	108 971	108 971	108 971	115 510	122 440	129 787	
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-		-		-		-	-	-	-	-	-	-	
Net Property Rates		84 155		96 886		102 203		108 554	108 971	108 971	108 971	115 510	122 440	129 787	
Service charges - electricity revenue	6														
Total Service charges - electricity revenue		94 001		101 863		107 942		122 058	122 058	122 058	122 058	131 576	141 840	152 910	
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-		2 106		1 915		1 086	977	977	977	492	293	28	
less Cost of Free Basis Services (50 kwh per indigent household per month)		-		657		1 157		1 070	1 178	1 178	1 178	1 750	2 061	2 420	
Service charges - refuse revenue	6														
Total refuse removal revenue		18 165		20 942		33 867		35 947	35 687	35 687	35 687	38 898	42 399	46 215	
Total landfill revenue		-		-		-		-	-	-	-	-	-	-	
less Revenue Foregone (in excess of one removal a week to indigent households)		-		-		-		-	-	-	-	-	-	-	
less Cost of Free Basis Services (removed once a week to indigent households)		-		-		-		-	-	-	-	-	-	-	
Net Service charges - refuse revenue		18 165		20 942		33 867		35 947	35 687	35 687	35 687	38 898	42 399	46 215	
Other Revenue by source															
Sundry Fees															
Augmentation Fees		3 477		9 355		2 940		844	1 072	1 072	1 072	1 785	1 892	2 006	
Building Plan Fees		563		689		302		1 057	2 870	2 870	2 870	2 838	3 009	3 189	
Conservancy Charges		1 479		1 952		1 974		1 699	1 799	1 799	1 799	1 874	1 986	2 105	
Re-Disconnection Fees		1 100		1 174		1 343		1 738	1 398	1 398	1 398	1 289	1 366	1 448	
Town Planning Fees		798		647		340		377	377	377	377	455	482	511	
Collection Fees Recovered		313		558		489		413	423	423	423	423	464	491	
Connection Fees		613		903		693		528	720	720	720	1 128	1 196	1 268	
Fuel Sales		400		208		299		272	410	410	410	372	394	416	
Services Connections: Prepaid		1		-		0		244	2 263	2 263	2 263	1 443	1 530	1 621	
LG Seta Grant		82		82		101		89	115	115	115	120	128	135	
Other		-		793		130		350	350	350	350	313	313	313	
Total 'Other' Revenue		5 039		2 955		1 993		1 577	2 451	2 451	2 451	987	997	1 014	
Total	1	13 866		19 316		10 604		9 187	14 246	14 246	14 246	13 026	13 755	14 518	

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Description	Ref	2012/13				2013/14				2014/15				Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19										
R thousand																					
EXPENDITURE ITEMS:																					
Employee related costs																					
Basic Salaries and Wages		65 364	77 715	84 545	108 194	106 569	106 569	106 569	106 569	120 581	134 074	144 556									
Pension and UIF Contributions		9 102	10 605	12 141	16 447	15 932	15 932	15 932	15 932	17 975	19 834	21 417									
Medical Aid Contributions		8 219	8 792	9 828	15 426	14 527	14 527	14 527	14 527	16 237	17 396	18 478									
Overtime		4 045	5 547	6 462	3 161	6 996	6 996	6 996	6 996	3 657	3 855	3 838									
Performance Bonus		-	-	-	-	-	-	-	-	-	-	-									
Motor Vehicle Allowance		5 293	5 885	6 182	9 439	8 744	8 744	8 744	8 744	9 588	10 557	11 300									
Cellphone Allowance		705	920	1 027	1 093	952	952	952	952	1 183	1 262	1 344									
Housing Allowances		557	473	426	1 166	1 544	1 544	1 544	1 544	1 917	2 065	2 131									
Other benefits and allowances		3 643	7 342	5 800	5 251	7 297	7 297	7 297	7 297	6 517	7 091	7 528									
Payments in lieu of leave		3 026	3 794	2 168	3 034	2 958	2 958	2 958	2 958	3 382	3 769	4 087									
Long service awards		616	713	513	727	727	727	727	727	757	787	-									
Post-retirement benefit obligations		8 368	9 245	4 948	10 137	9 886	9 886	9 886	9 886	13 536	15 376	17 090									
sub-total	4	108 939	131 031	134 040	174 076	176 133	176 133	176 133	176 133	195 309	216 066	231 748									
Less: Employees costs capitalised to PPE	5	-	-	-	-	-	-	-	-	-	-	-									
Total Employee related costs	1	108 939	131 031	134 040	174 076	176 133	176 133	176 133	176 133	195 309	216 066	231 748									
Contributions recognised - capital																					
Contract 1		-	-	-	-	-	-	-	-	-	-	-									
Contract 2		-	-	-	-	-	-	-	-	-	-	-									
Contract 3		-	-	-	-	-	-	-	-	-	-	-									
Contract 4		-	-	-	-	-	-	-	-	-	-	-									
Contract 5		-	-	-	-	-	-	-	-	-	-	-									
[Default]		-	-	-	-	-	-	-	-	-	-	-									
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-									
Depreciation & asset impairment																					
Depreciation of Property, Plant & Equipment		19 157	16 233	18 882	20 326	19 337	19 337	19 337	19 337	22 731	25 459	28 514									
Lease amortisation		-	13 603	3 173	-	-	-	-	-	-	-	-									
Capital asset impairment		10 239	-	-	-	-	-	-	-	-	-	-									
Depreciation resulting from revaluation of PPE		-	-	-	-	-	-	-	-	-	-	-									
Total Depreciation & asset impairment	10	29 396	29 837	22 055	20 326	19 337	19 337	19 337	19 337	22 731	25 459	28 514									
Bulk purchases	1																				
Electricity Bulk Purchases		70 486	76 400	84 459	90 655	90 655	90 655	90 655	90 655	89 748	92 440	96 138									
Water Bulk Purchases		140	-	-	358	358	358	358	358	246	280	399									
Total bulk purchases	1	70 626	76 400	84 459	91 012	91 012	91 012	91 012	91 012	89 994	92 720	96 537									

Description	Ref	2012/13		2013/14		2014/15		Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome		Audited Outcome		Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand															
Transfers and grants															
Cash transfers and grants		1 779		1 948		3 043		3 727	4 200	4 200	4 200	3 632	3 738	3 844	
Non-cash transfers and grants		-		-		-		-	-	-	-	-	-	-	
Total transfers and grants	1	1 779		1 948		3 043		3 727	4 200	4 200	4 200	3 632	3 738	3 844	
Contracted services															
Consultant Fees		-		38		126		2 500	1 539	1 539	1 539	2 423	2 234	2 128	
IT Support		1 552		1 781		1 964		2 000	1 780	1 780	1 780	2 090	2 184	2 271	
Security Services		5 066		5 237		6 382		5 419	7 239	7 239	7 239	5 670	4 776	4 804	
Revenue Enhancement Services		2 896		2 745		2 164		1 900	2 738	2 738	2 738	1 400	1 000	1 000	
Valuation Roll		2 130		-		244		600	214	214	214	2 400	800	681	
Financial Support Services		2 280		-		2 961		1 900	1 900	1 900	1 900	2 903	3 178	3 178	
PMS System		137		634		200		-	-	-	-	-	-	-	
Policies Revision		-		96		112		106	116	116	116	110	115	120	
Transport Plans		-		0		-		-	-	-	-	-	-	-	
Waste Transfer Services		2 031		-		4 086		3 426	3 426	3 426	3 426	250	100	100	
Re/Disconnection Of Services		134		-		193		26	26	26	26	273	286	298	
Deslination Plant		1 116		1 674		1 380		1 716	1 716	1 716	1 716	1 716	1 716	1 716	
Traffic Support Services		1 535		1 956		1 610		2 600	2 100	2 100	2 100	2 704	2 839	2 953	
Internal Audit Services		-		-		502		718	718	718	718	747	785	816	
Water Safety And Security Plan		-		62		10		91	91	91	91	95	99	103	
Water Audit		-		-		-		-	-	-	-	-	-	-	
Contract 17		-		-		-		-	-	-	-	-	-	-	
Contract 18		-		-		-		-	-	-	-	-	-	-	
Contract 19		-		-		-		-	-	-	-	-	-	-	
Contract 20		-		-		-		-	-	-	-	-	-	-	
Contract 21		-		-		-		-	-	-	-	-	-	-	
Contract 22		-		-		-		-	-	-	-	-	-	-	
Contract 23		-		-		-		-	-	-	-	-	-	-	
Contract 24		-		-		-		-	-	-	-	-	-	-	
[Default]		-		-		-		-	-	-	-	-	-	-	
sub-total	1	18 876		14 224		21 913		23 002	23 604	23 604	23 604	22 769	20 113	20 168	
Allocations to organs of state:															
Electricity		-		-		-		-	-	-	-	-	-	-	
Water		-		-		-		-	-	-	-	-	-	-	
Sanitation		-		-		-		-	-	-	-	-	-	-	
Other		-		-		-		-	-	-	-	-	-	-	
Total contracted services		18 876		14 224		21 913		23 002	23 604	23 604	23 604	22 769	20 113	20 168	

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Description	Ref	2012/13		2013/14		2014/15		Current Year 2015/16				2015/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome		Audited Outcome		Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand														
Other Expenditure By Type														
Collection costs		901	880		613	827	943		943	943	943	1 500	1 500	1 500
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-	-	-	-
Consultant fees		1 080	3 105	4 331	4 331	4 508	7 438	7 438	7 438	7 438	7 438	8 030	8 337	8 710
Audit fees		1 407	2 025	2 008	2 008	2 150	3 367	3 367	3 367	3 367	3 367	3 569	3 783	4 010
General expenses		3 505	10 898	4 366	4 366	9 919	13 720	13 720	13 720	13 720	13 720	11 724	10 727	11 215
Repairs and Maintenance	3	9 413	10 540	12 809	12 809	19 361	19 340	19 340	19 340	19 340	19 340	28 459	29 206	30 054
Systems & Licences		1 846	3 512	3 346	3 346	4 926	5 077	5 077	5 077	5 077	5 077	5 336	5 667	5 960
Communication & Marketing		2 134	3 132	2 156	2 156	3 353	3 058	3 058	3 058	3 058	3 058	3 117	3 139	3 254
Major Operating Grant Expenses		46 850	46 108	56 396	56 396	33 878	39 971	39 971	39 971	39 971	39 971	28 192	17 379	19 247
Service Expenses		1 466	5 865	6 369	6 369	6 092	6 540	6 540	6 540	6 540	6 540	6 409	6 728	7 000
Renting & Hiring		3 957	5 690	7 907	7 907	5 411	6 958	6 958	6 958	6 958	6 958	7 411	7 595	7 826
Insurance		1 020	1 194	562	562	1 367	585	585	585	585	585	947	1 077	1 238
Administration Expenses		11 508	10 338	10 752	10 752	13 045	12 398	12 398	12 398	12 398	12 398	15 642	16 610	17 689
Training & Development		2 353	2 634	1 021	1 021	1 913	2 042	2 042	2 042	2 042	2 042	2 677	2 262	2 322
Social Development & Security		2 467	2 064	3 998	3 998	4 466	6 082	6 082	6 082	6 082	6 082	5 768	3 732	3 732
Tourism & Marketing		-	-	-	-	-	-	-	-	-	-	1 990	2 002	3 063
Type 11		-	-	-	-	-	-	-	-	-	-	-	-	-
Type 12		-	-	-	-	-	-	-	-	-	-	-	-	-
Type 13		-	-	-	-	-	-	-	-	-	-	-	-	-
Type 14		-	-	-	-	-	-	-	-	-	-	-	-	-
Type 15		-	-	-	-	-	-	-	-	-	-	-	-	-
Type 16		-	-	-	-	-	-	-	-	-	-	-	-	-
Type 17		-	-	-	-	-	-	-	-	-	-	-	-	-
Type 18		-	-	-	-	-	-	-	-	-	-	-	-	-
Type 19		-	-	-	-	-	-	-	-	-	-	-	-	-
Type 20		-	-	-	-	-	-	-	-	-	-	-	-	-
Type 21		-	-	-	-	-	-	-	-	-	-	-	-	-
Total 'Other' Expenditure	1	89 908	107 987	116 634	116 634	111 214	127 519	127 519	127 519	127 519	127 519	130 783	119 745	126 819
Repairs and Maintenance by Expenditure Item	8													
Employee related costs		-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted Services		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenditure		9 413	10 540	12 809	12 809	19 361	19 340	19 340	19 340	19 340	19 340	28 459	29 206	30 054
Total Repairs and Maintenance Expenditure	9	9 413	10 540	12 809	12 809	19 361	19 340	19 340	19 340	19 340	19 340	28 459	29 206	30 054

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Table 61 MBRR Table SA2 – Matrix financial performance Budget (revenue source/expenditure type and department)

R thousand	Description	Ref	Council	Office of the Municipal	Community Services	Corporate Services	Financial Services	Strategic Services	Engineering Services	Total
1										
Revenue By Source										
Property rates	Property rates - penalties & collection charges						115 510			115 510
	Property rates - electricity revenue						1 275			1 275
	Service charges - water revenue								129 334	129 334
	Service charges - sanitation revenue								45 752	45 752
	Service charges - refuse revenue								38 805	38 805
	Service charges - other				25 612					25 612
	Rental of facilities and equipment					2		903		1 440
	Interest earned - external investments				535		5 828			5 828
	Interest earned - outstanding debtors			105	707				2 351	3 163
	Dividends received									
	Fines				22 016					22 016
	Licences and permits				5 959					6 052
	Agency services			93	1 219					1 219
	Other revenue			2 162	566	313	237	3 911	5 838	13 026
	Transfers recognised - operational		2 499	28 434	41 166	120	7 649		24 362	104 230
	Gains on disposal of PPE						223			223
	Total Revenue (excluding capital transfers and contributions)		2 499	30 794	97 780	435	130 721	4 814	246 442	513 486
Expenditure By Type										
Employee related costs				13 497	68 685	16 112	30 266	15 059	51 680	195 309
Remuneration of councillors			5 597							5 597
Debt impairment				1 900	13 470		5 968		10 662	31 999
Depreciation & asset impairment			117	92	4 410	152	1 241	371	16 348	22 731
Finance charges			143		3 314	2	16	1 247	10 695	15 318
Bulk purchases									89 994	89 994
Other materials			144	157	848	381	503	164	2 159	4 257
Contracted services				747	8 624	110	11 206		2 063	22 769
Transfers and grants								3 632		3 632
Other expenditure			551	4 397	37 214	14 756	27 491	4 304	42 070	130 783
Loss on disposal of PPE										
Total Expenditure			6 352	20 790	136 565	31 513	76 690	24 777	225 701	522 388
Surplus/(Deficit)			(3 853)	10 004	(38 785)	(31 078)	54 031	(19 963)	20 741	(8 902)
Transfers recognised - capital					29 707				27 253	56 960
Surplus/(Deficit) after capital transfers & contributions			(3 853)	10 004	(9 077)	(31 078)	54 031	(19 963)	47 994	48 058

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Table 62 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	Ref	2012/13			2013/14			2014/15			Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19			
R thousand																		
ASSETS																		
Call Investment deposits																		
Call deposits < 90 days		10 522	25 765	82 043	82 043	82 043	82 043	82 043	5 390	56 466	56 466	56 466	36 430	41 540	58 672			
Other current investments > 90 days		–	–	–	–	–	–	–	22 010	–	–	–	–	–	–			
Total Call Investment deposits	2	10 522	25 765	82 043	82 043	82 043	82 043	82 043	27 400	56 466	56 466	56 466	36 430	41 540	58 672			
Consumer debtors																		
Consumer debtors		84 730	88 967	93 896	93 896	93 896	93 896	93 896	109 999	106 982	106 982	106 982	121 532	137 587	155 289			
Less: Provision for debt impairment		(39 517)	(45 572)	(53 149)	(53 149)	(53 149)	(53 149)	(53 149)	(68 948)	(64 887)	(64 887)	(64 887)	(78 313)	(93 162)	(82 947)			
Total Consumer debtors	2	45 213	43 395	40 747	40 747	40 747	40 747	40 747	41 151	42 095	42 095	42 095	43 219	44 425	72 343			
Debt impairment provision																		
Balance at the beginning of the year		41 514	39 517	45 572	45 572	45 572	45 572	45 572	57 469	53 149	53 149	53 149	64 887	78 313	82 947			
Contributions to the provision		13 109	12 987	14 150	14 150	14 150	14 150	14 150	18 311	18 311	18 311	18 311	19 999	21 422	11 206			
Bad debts written off		(15 106)	(6 932)	(6 573)	(6 573)	(6 573)	(6 573)	(6 573)	(6 932)	(6 573)	(6 573)	(6 573)	(6 573)	(6 573)	(6 573)			
Balance at end of year		39 517	45 572	53 149	53 149	53 149	53 149	53 149	68 948	64 887	64 887	64 887	78 313	93 162	82 947			
Property, plant and equipment (PPE)																		
PPE at cost/valuation (excl. finance leases)		803 076	910 207	955 476	955 476	955 476	955 476	955 476	1 012 249	1 057 499	1 057 499	1 057 499	1 173 468	1 277 657	1 377 186			
Leases recognised as PPE	3	2 793	3 113	1 136	1 136	1 136	1 136	1 136	3 113	1 136	1 136	1 136	1 136	1 136	1 136			
Less: Accumulated depreciation		193 165	196 027	204 063	204 063	204 063	204 063	204 063	246 429	223 205	223 205	223 205	245 747	271 009	299 324			
Total Property, plant and equipment (PPE)	2	612 704	717 293	752 550	752 550	752 550	752 550	752 550	768 933	835 429	835 429	835 429	928 856	1 007 784	1 078 997			
LIABILITIES																		
Current liabilities - Borrowing																		
Short term loans (other than bank overdraft)		–	–	–	–	–	–	–	–	–	–	–	–	–	–			
Current portion of long-term liabilities		11 169	12 212	10 255	10 255	10 255	10 255	10 255	14 594	17 128	17 128	17 128	17 815	18 806	21 820			
Total Current liabilities - Borrowing		11 169	12 212	10 255	10 255	10 255	10 255	10 255	14 594	17 128	17 128	17 128	17 815	18 806	21 820			
Trade and other payables																		
Trade and other creditors		30 150	42 869	40 344	40 344	40 344	40 344	40 344	59 774	41 714	41 714	41 714	43 589	40 929	41 710			
Unspent conditional transfers		24 964	518	15 169	15 169	15 169	15 169	15 169	–	–	–	–	300	300	300			
VAT		–	–	–	–	–	–	–	–	–	–	–	–	–	–			
Total Trade and other payables	2	55 114	43 387	55 512	55 512	55 512	55 512	55 512	59 774	41 714	41 714	41 714	43 889	41 229	42 010			

Description	Ref	2012/13 Audited Outcome	2013/14 Audited Outcome	2014/15 Audited Outcome	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework			
					Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1-2017/18	Budget Year +2-2018/19	
R thousand												
Non current liabilities - Borrowing	4											
Borrowing		115 533	120 335	119 823	124 030	121 610	121 610	121 610	130 675	137 668	140 437	
Finance leases (including PPP asset element)		1 074	210	165	-	2 050	2 050	2 050	168	-	3 751	
Total Non current liabilities - Borrowing		116 607	120 545	119 988	124 030	123 659	123 659	123 659	130 842	137 668	144 189	
Provisions - non-current												
Refinement benefits		58 221	70 143	79 997	87 769	90 951	90 951	90 951	104 486	119 862	136 952	
List other major provision items		-	-	-	1 463	3 398	3 398	3 398	3 374	3 350	3 983	
Refuse landfill site rehabilitation		2 742	2 645	2 773	3 500	3 371	3 371	3 371	3 362	3 353	4 618	
Other		60 963	72 788	82 770	92 733	97 720	97 720	97 720	111 223	126 565	145 553	
Total Provisions - non-current												
CHANGES IN NET ASSETS												
Accumulated Surplus/(Deficit)		481 197	561 189	610 528	612 264	664 235	664 235	664 235	708 246	756 504	802 934	
Accumulated Surplus/(Deficit) - opening balance		-	-	-	-	-	-	-	-	-	-	
GRAP adjustments		481 197	561 189	610 528	612 264	664 235	664 235	664 235	708 246	756 504	802 934	
Restated balance		45 285	64 338	53 707	44 097	48 911	48 911	48 911	48 058	50 730	73 718	
Surplus/(Deficit)		-	2 500	-	(33 054)	(36 673)	(36 673)	(48 173)	(38 401)	(38 054)	(38 846)	
Appropriations to Reserves		-	-	-	25 554	31 773	31 773	31 773	38 601	33 754	28 746	
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-	
Depreciation offsets		-	-	-	-	-	-	-	-	-	-	
Other adjustments		-	-	-	-	-	-	-	-	-	-	
Accumulated Surplus/(Deficit)	1	526 492	628 028	664 235	648 860	708 246	708 246	696 746	756 504	802 934	868 551	
Reserves												
Housing Development Fund		-	-	-	-	-	-	-	-	-	-	
Capital replacement		5 000	7 500	25 000	27 400	29 900	29 900	41 400	29 700	34 000	42 100	
Self-insurance		-	-	-	-	-	-	-	-	-	-	
Other reserves		-	-	-	-	-	-	-	-	-	-	
Revaluation		-	-	-	-	-	-	-	-	-	-	
Total Reserves	2	5 000	7 500	25 000	27 400	29 900	29 900	41 400	29 700	34 000	42 100	
TOTAL COMMUNITY WEALTH/EQUITY	2	531 492	635 528	689 235	676 260	738 146	738 146	738 146	786 204	836 934	910 651	

Table 63 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/13		2013/14		2014/15		Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework	
						Outcome	Budget	Outcome	Budget	Outcome	Budget	Outcome	Budget	Outcome	Budget
Demographics															
Population		Census Info and Growth Rate	29	40	49	57	64	61	64	71	75	79	79	79	79
Females aged 5 - 14		Census Info and Growth Rate	3	3	4	5	5	5	5	5	5	6	6	6	6
Males aged 5 - 14		Census Info and Growth Rate	2	3	4	4	4	4	4	5	5	5	5	5	5
Females aged 15 - 34		Census Info and Growth Rate	6	7	9	10	11	10	11	12	12	13	13	13	13
Males aged 15 - 34		Census Info and Growth Rate	6	7	9	10	11	11	12	12	12	13	13	13	13
Unemployment		Census Info and Growth Rate	4	5	7	9	10	9	10	11	12	13	13	13	13
Monthly household income (no. of households)	1, 12														
No income		Census Info and Growth Rate	1 586	2 331	3 013	3 652	4 152	3 894	4 152	4 427	4 720	5 033	5 386	5 386	5 386
R1 - R1 600		Census Info and Growth Rate	386	567	732	885	1 007	945	1 007	1 074	1 145	1 220	1 301	1 301	1 301
R1 601 - R3 200		Census Info and Growth Rate	482	708	915	1 108	1 259	1 181	1 259	1 343	1 431	1 526	1 627	1 627	1 627
R3 201 - R6 400		Census Info and Growth Rate	1 437	2 112	2 730	3 309	3 762	3 528	3 762	4 011	4 277	4 580	4 882	4 882	4 882
R6 401 - R12 800		Census Info and Growth Rate	1 726	2 537	3 279	3 974	4 518	4 238	4 518	4 818	5 137	5 477	5 840	5 840	5 840
R12 801 - R25 600		Census Info and Growth Rate	1 209	1 777	2 297	2 784	3 166	2 868	3 166	3 375	3 587	3 837	4 091	4 091	4 091
R25 601 - R51 200		Census Info and Growth Rate	789	1 160	1 498	1 816	2 065	1 936	2 065	2 201	2 347	2 502	2 668	2 668	2 668
R51 201 - R102 400		Census Info and Growth Rate	587	863	1 115	1 351	1 441	1 441	1 441	1 538	1 638	1 746	1 862	1 862	1 862
R102 401 - R204 800		Census Info and Growth Rate	351	516	666	808	918	861	918	978	1 043	1 112	1 186	1 186	1 186
R204 801 - R409 600		Census Info and Growth Rate	131	193	250	302	344	323	344	357	381	417	444	444	444
R409 601 - R819 200		Census Info and Growth Rate	44	64	83	99	113	106	113	120	127	136	144	144	144
> R819 200		Census Info and Growth Rate	35	52	67	80	86	86	86	97	103	110	117	117	117
Poverty profiles (no. of households)															
< R2 080 per household per month	13	Census Info and Growth Rate	1 702	2 501	3 233	3 919	4 455	4 178	4 455	4 750	5 055	5 400	5 733	5 733	5 733
Household demographics (000)	2														
Number of people in municipal area		Census Info and Growth Rate	29 182	39 905	49 182	57	64	61	64	67	71	75	79	79	79
Number of poor people in municipal area		Census Info and Growth Rate	8 763	12 878	16 545	20	23	22	23	24	26	28	30	30	30
Number of poor households in municipal area		Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Definition of poor household (R per month)		Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing statistics	3														
Formal		Census Info and Growth Rate	7 285	10 098	12 585	14 864	15 713	15 713	16 812	17 554	18 572	19 638	20 737	20 737	20 737
Informal		Census Info and Growth Rate	1 478	2 710	4 039	5 496	6 030	6 030	6 726	7 441	8 231	9 105	10 074	10 074	10 074
Total number of households		Census Info and Growth Rate	8 763	12 808	16 624	20 360	21 743	21 743	23 538	25 005	26 803	28 744	30 811	30 811	30 811
Dwellings provided by municipality	4	Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector	5	Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Total new housing dwellings		Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic	6														
Inflation/inflation outlook (CPI)		Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest rate - borrowing		Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest rate - investment		Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration increases		Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumption growth (electricity)		Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumption growth (water)		Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Collection rates	7														
Property tax/service charges		Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities & equipment		Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest - external investments		Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest - doobars		Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from agency services		Census Info and Growth Rate	-	-	-	-	-	-	-	-	-	-	-	-	-

BITOU MUNICIPALITY
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2.14 Municipal manager's quality certificate

I A.A. Paulse, municipal manager of Bitou Municipality, hereby certify that the Final Draft annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Final Draft annual Budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: A.A. Paulse

Municipal Manager of Bitou Municipality (WC047)

Signature: _____

Date: 31 March 2016

